



[Page 1]	LAND Meeting ND State Lease Sale Land to Elect New Officers	[Page 4]	AAPL Director's Report Continuing Ed Credits State Land Dept. Announces
[Page 2]	2011 LAND Dues Reminder 2010 Landman of the Year	[Page 5]	NDRIN Update What is a Landman?
[Page 3]	Calendar of Events SAA Scholarship	[Page 6]	ND Legislative Report
		[Page 7]	L.A.N.D Officers & Committee Chairs

ND STATE LEASE SALE *to be held at KELLY INN*

The North Dakota State Land Department will hold its first quarterly ND Oil & Gas Lease Auction on
**Tuesday
February 01, 2011
at 9:00 AM CDT
Kelly Inn
1800 North 12th Street
Bismarck, North Dakota**

They now have an email registry for mineral leasing information. Sign up and receive not only the full list in both PDF and/or Excel versions, but updates on tracts eliminated and other items of importance. Sign up on their website at www.land.nd.gov to receive notices and download sale information in either excel or PDF format.

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

L.A.N.D. will be holding its first quarterly meeting on **Monday, January 31, 2011, at the Kelly Inn, Bismarck, ND.** The business meeting is scheduled to begin at 5:30 PM and the social at 6:30 PM.

Our Social for this event is sponsored by the Landman's Association of North Dakota. The social is open to all L.A.N.D. members & friends, industry guests and personnel.

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

This coming May, at the regularly scheduled quarterly meeting, L.A.N.D. members will elect a new slate of officers. Nominations will be made from the floor at that time. Any volunteers will also be welcomed.

Jonathan Aisenbrey, current Vice-President, will move up to President. Don Nordquist, our standing Secretary/Treasurer, would like to retire after numerous years of distinguished service.

Positions that are open for election are: Vice-President, Secretary, and Treasurer.

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

ND Oil & Gas News Updates from the Petroleum Council

The Petroleum Council provides a daily news subscription service to members. If you're interested in receiving daily news updates on important industry issues, please e-mail tyler@ndoil.org to be added to the distribution list.

2011 L.A.N.D. Dues Reminder

It's time once again to support your professional association. 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

Notices were sent out by e-mail in late December of 2010. If you didn't receive it, please check with Don to verify your e-mail address or if you have any questions regarding your dues payment. You can e-mail Don at: dnordqui@petrohunt.com

L.A.N.D. is trying to be efficient and financially prudent by using electronic communications whenever possible.

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 of any new or changed e-mail addresses.

Don Nordquist Receives "Stenberg" Award

As many of you know, L.A.N.D. recently lost a dear friend and long-standing member with the passing of Robert B. "Bob" Stenberg. Bob was not only a consummate professional landman, but also a loving husband and dedicated family man. He lived life to its fullest. In honor of Bob's character and dedication to "the business", L.A.N.D. recently determined it fitting and appropriate to re-institute the Landman of the Year Award, and change its name to the ROBERT B. STENBERG AWARD.

Don Nordquist has served as Secretary/Treasurer of L.A.N.D. for the greater part of his career. Years go by so quickly, that I can't say how long he has held this most demanding and time consuming position. In the midst of life's challenges and difficulties, Don has "looked up" and led a life of dignity



Richard Frazier, LAND President (left) presents the 2010 Robert B. Stenberg "Landman of the Year" award to Don Nordquist.

and strength of character that we all should both respect, and emulate. Words of accolade are insufficient. He brings that same strength and dignity to his work as a Landman. No one amongst our profession will disagree, or even attempt to refute, the example that Don sets for us all to follow. Don, I want to personally

thank you for all you have done, and continue to do, for L.A.N.D. I consider it an honor and privilege to call you friend and colleague. You truly deserve to be the first recipient of the Robert B. Stenberg Award.

THANKS, GOOD FRIEND
Rick Frazier, President

FYI:

There is a new TV series called Boomtown, airing on Dish Network, Channel 194 (Green Channel) starting on Saturday, January 29, 2011. The first show is supposed to be about the controversy between the Oil Boom and Land Owners in North Dakota.



Calendar

- January 31 L.A.N.D. Quarterly Meeting
5:30 P.M. – Kelly Inn, Bismarck, ND
- February 1 ND State Lease Sale
9:00 A.M. CDT - Kelly Inn, Bismarck, ND
- Feb. 16-18 NAPE 2011 in Houston, TX
- March 1-2 Fundamentals of Land Practices - AAPL
The Crown Plaza, 27 North 27th Street Billings, MT 59101 (406) 252-7400
- March 8 Oil Can! Day & Legislative Social
Booth in the Great Hall @ the Capitol; Social at 5:30 – 8:00 pm Radisson Hotel, Bismarck, ND
- April 1 JOA Workshop – AAPL
Calgary, Alberta
- May 1-3 Williston Basin Petroleum Conference
Regina, Saskatchewan – www.wbpc.ca

SASS Scholarship

The 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. Sass Scholarship grants are not limited to young, recent High School graduates, but are available also to non-traditional students who may be “older than average” and studying for graduate as well as undergraduate energy-related degrees.

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

Thanks to all who have contributed over the years, there are now several hundred dollars in scholarship funds available each year. Contributions this past year have come from:

- | | |
|---------------|-------------------|
| Cody O&G | Inland O&G |
| John Fredlund | G. John Schmitz |
| Luke Monteith | Tim Furlong |
| Don Sass | Jeff Garske |
| Bill LaCrosse | Kim Hennessy |
| Dirk Schwartz | Robert Eynon |
| Ron Weigum | LeRoy Fettig |
| Nick Lambert | William K. Thomas |
| Pat O'Brien | Ray Bruels |
| Kerry Hoffman | |

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

AAPL Director's Report

Rick Larson, AAPL Director

The December 4, 2010, meeting was held in Carlsbad, CA. At the meeting, it was reported that AAPL has hired Christopher Halaszynski as Director of Education. Christopher has a strong background in corporate education and adult training. AAPL Director Wendy Dalton, as chairman of the Field Landman Committee, is working closely with Christopher arranging Field Landman Seminars across the country. Wendy has asked about arranging a seminar in North Dakota. The field landman seminars are free to AAPL members. Non-members can register for \$50 which would include first year membership in AAPL upon completion of an AAPL application. Additional classes are being developed to include title curative, advanced contracts, JOA/operating agreement, WI/NRI calculation. Any suggestions for topics are welcome.

The Certification Committee is moving forward on changing the

certification program to allow active landmen without a college degree to participate. The Committee is hoping to have an amendment proposal by the March board meeting.

A Committee was organized to review the AAPL bylaws. It was necessary because of the pre-registration deadline for NAPE is February 3, 2011. Over 1200 booths have been sold for NAPE, 2011.

Finally, look forward to an updated and active website. The IT/Website Committee is busy redesigning the AAPL website to make it more useful to the members and to promote our profession.

This year's annual meeting will be held in Boston, MA starting on June 8, 2011. Karl Rove has agreed to be the keynote speaker for the opening session on June 9, 2011.

The event ends on Saturday, June 11, 2011.

ND State Land Department Announces New Minerals Manager

The State Land Department has announced the hiring of a new head of its Minerals Management Division. Drew Combs, RPL began his duties at the Department on January 18, 2011. Drew grew up south of Dallas, Texas and is a Veteran of the United States Marine Corps. He has worked in various capacities within the petroleum industry, domestic and abroad. Drew lives in Bismarck with his wife Jannelle, who is an oil and gas title attorney, and is the proud father of a 9 month old son, Ian.

Drew will be working alongside former Director Tom Feeny for the next couple months as Tom transitions out of full time management of the Minerals Management Division.

These changes come just in time for the Department's quarterly oil and gas lease auction which will be held on Tuesday, February 1, 2011, 9:00 A.M. at the Kelly Inn in Bismarck. Up for auction will be 11,544 acres in 11 western North Dakota counties, including just less than 4000 mineral acres in McKenzie and Mountrail counties. For a list of tracts to be auctioned, visit our website at www.land.nd.gov.

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 Recorder Information Network [NDRIN] Update

NDRIN is part of a computerized central repository which houses the real estate records of participating North Dakota County Recorders' offices. The repository system allows each county, if they wish, to publish land records and data to the internet, through the use of the NDRIN website, www.ndrin.com.

NDRIN is currently 50 counties strong. 46 counties are publishing to the NDRIN web site. One county is an NDRIN member but has made the choice not to publish to the NDRIN website. Two counties are associate members to NDRIN sending money to support NDRIN, both are computerized. We have increased our publishing counties by four and NDRIN membership by two. We feel this is a great accomplishment for County Recorders across North Dakota.

At this time there is only one computerized county not participating in NDRIN only one Recorder's office in North Dakota that is not computerized.

There are currently over 1600 subscribers to NDRIN.

The Recorders are currently seeking legislation to include in the fee schedule a fee for the electronic data extracted from each recorded document. A fee of "up to \$1.00" per page for a recorded document is already in place and it was felt there is a need to clarify the parameters by which Recorders may charge for this data. The bill introduced is SB 2168. Ron Ness, President of the Petroleum Council offered support for the bill as well as others. The bill received a "Do Pass" from the Industry, Business and Labor Senate Committee and should be heard on the Senate floor next week. Hopefully all will go well when the bill goes to the House side. We thank the oil industry for their support!

The use of computer technology has changed forever the way the county recorder's land records are used and accessed. The county recorder will continue to play an integral role in serving the public as we have for the past 100 plus years and we must do so in the best and most expedient manner possible.

What is a Landman?

Landmen constitute the business side of the oil and gas and mineral exploration and production team.

Company landmen

negotiate deals and trades with other companies and individuals, draft contracts (and administer their compliance), acquire leases and ensure compliance with governmental regulations.

Independent field landmen

serve clients on a contract basis and are generally the industry's contact with the public as they research courthouse records to determine ownership and prepare necessary reports, locate mineral/land owners and negotiate oil and gas leases and various other agreements, obtain necessary curative documents and conduct surface inspections before drilling.

Independent land

consultants serve clients on a contract basis and much effort is directed to due diligence examinations required in the purchase and sale of companies and properties.

North Dakota Petroleum Council Legislative Report

Ron Ness, President of the North Dakota Petroleum Council

The hearing on SB 2131, the "Robin Hood Bill," was held on Friday, January 14, 2011 in Senate Natural Resources. This bill would take 8% of the royalty share and give it to all the surface owners in the spacing unit. Four western North Dakota legislators and two farmers testified in support of the bill. It was interesting that no surface owners from the Bakken area testified in support of the bill. The landowners who testified had complaints mostly about 50-year old wells and had some valid concerns that the industry should take note of, such as driving off the pad onto crop land, pushing snow into non-leased land, creating dust that impacts crop land, and leaving trash and a mess at the well site.

Todd Kranda, the Petroleum Council contract lobbyist, along with Petroleum Council members Steve Pine and Ben Larson, testified in opposition to the bill and many others attended the hearing. The ND Chamber of Commerce and ND Farm Bureau also testified against the bill. The key message was this bill is not the right approach and there are better ways to address the impacts. Support from our members on this

bill was impressive to say the least! Senator Lyson indicated his committee had received 103 emails in that last week on this bill. This type of response from the industry is critical on our key issues – thank you. The bill was not acted on today, but we anticipate it to be defeated in the Senate in the next two weeks. However, this issue of surface damages will be a major issue this session and as you can see from the new bills this week; we have more work to do.

If you wish to contact a legislator during the legislative session, they can be reached at the State Capitol through e-mail or by leaving a message with the legislative telephone message center at 1-888-NDLEGIS (635-3447) or 701.328.3373 (local). To reach a legislator by mail, telephone, or e-mail, go to: Roster of Senators' Names and Addresses for Senators or Roster of Representatives' Names and Addresses for Representatives.

Legislative Bills of Interest

- HB 1166** Changes what a blanket indemnity agreement in oil and gas production contracts would now void.
- HB 1206** Creates a western area water supply authority responsible to treat, store, and distribute water to western North Dakota and the oil industry.
- HB 1216** Establishes hydraulic fracturing as an acceptable recovery process in North Dakota.
- HB 1241** Sets a minimum surface damage payment of 25 times the value of the land.
- HB 1264** A mineral owner would no longer need to request payment of interest on unpaid royalties. This bill also has changes to the 18% interest provision for royalties not paid within 150 days.
- HB 1277** Failure to produce oil for more than a year results in abandoned well status, voiding the lease agreement.
- HB 1303** Establishes an extraction tax to natural gas and imposes a separate and additional oil and gas infrastructure maintenance tax of 1%.



Trouble Finding Missing Mineral Owners?

Contact...

W.T. Butcher & Associates, LTD.
Toll Free: 1-800-700-1541
Email: bill.wtba@midconetwork.com

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