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ND STATE LEASE SALE

to be held on February 7, 2012

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

Tuesday
February 7, 2012
at 9:00 AM CDT
ND State Capitol
House Chambers
Bismarck, ND

With the offering of 834 tracts in 15 counties, there is the potential for this sale to extend into early evening.

For a complete list of nominated tracts, visit the ND Department of Trust Lands 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**, **February 6**, **2012**, **at the Kelly Inn**, **Bismarck**, **ND**. The business meeting is scheduled to begin at 5:30 PM and the social at 6:30 PM.

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



Committee Chairs

ND Board of University & School Lands Raise Royalty Rates in Seven Counties

As a result of Land Board action taken at its meeting on January 26, 2012, lease royalty rates for leases offered at the February 2012 lease auction will remain at 1/6th, with the exception of mineral tracts within Billings, Divide, Dunn, Golden Valley, McKenzie, Mountrail, and Williams Counties which will be set at 3/16th.

The Land board voted to postpone the leasing of several tracts in Billings
County from the February sale for further analysis of the wildlife and wilderness values. To receive the decision on which tracts will be postponed and/or any current information regarding the ND Trust Lands, sign-up online at:

http://www.land.nd.gov/minerals/min eralapps/emaillist/emailsignup.aspx

President's Report

Jon Aisenbrey, RPL

Happy New Year!

All the member directories have been delivered or are out in the mail so if you haven't got one let us know and we'll make sure you do. There will be some at the next meeting as well. They were notably thicker this year which is good. LAND is a great way to meet your peers and learn from those with more and different experiences. The legislative and educational updates are a great tool to keep abreast of changes in case law and the legislature itself. If you know of a new landman or an old one who just hasn't joined, encourage them to look at LAND



Jon Aisenbrey

and the AAPL – you should have received your 2012 dues reminder and now is a great time for new members as well.

In other news, winter may still show up so keep your mukluks handy and your Southerners warned.

Cordially,

Jon Aisenbrey

L.A.N.D. President

experience. education • n. cated. ➤ the the

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.

L.A.N.D. has a NEW Mailing Address

With the appointment of our new officers in August, we also received a NEW MAILING ADDRESS for all LAND communications by mail:

Tom St. Peter L.A.N.D. P.O. Box 2703 Bismarck, ND 58502-2703

If you have outdated forms, such as the membership application, etc., please discard them. I will be attaching the current membership application along with this newsletter for your use.

If you would like hard copies or any other updated LAND forms, etc., email me at: junew@legacyresourcesinc.com or call me at 701-751-2121.





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February 6 First Quarter L.A.N.D. Meeting

Kelly Inn ~ Bismarck, ND

Safety Committee Meeting Civic Center, Bismarck, ND

February 7 ND State Lease Sale

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

March 6 ND Sportsmen's & Oil Industry Forum

Bismarck, ND

March 14 NDPC Spring Social

Brown Palace, Denver, CO

April 16 AAPL Training

Applied Land Practices

Best Western Doublewood, Bismarck, ND (Deadline for pre-registration is 10:00 am,

Monday, April 9, 2012)

April 23 AAPL Training

Field Landman Seminar - Dickinson, ND

WELCOME New 2012 LAND Members

Backman, Kimberly A. Bement, Allisen C. Brunsman, Daniel J. Colby, Nicole DeVrient, Mark A. Endicott, Dianna C. Fretheim, Chad A. Gannaway, Ryan G. Hoff, Kevin R. Johnson, Blaire T. Keup, Ben W. Landstrom, Adam W. Lee. Knute H. Ir. Palczewski, Ben C. Pallone, Dominic A. Pathroff, Dennis R.' Perry, Amanda J. Reuther, Kurt J. Rice, Matthew D. Schellin, Karen Schilke, Sharon K. Schoh, Rory L. Strand, Chris N. Talbert. Tonva L. Wilson, Chase A.

Correction in the 2011 Directory...

Mike Smith, Paladin Resources, Inc. was accidently omitted from the 2011 Directory.

NOTE: In the near future, I will be emailing a .pdf file of the new members and Mike Smith's ads. Please watch for the email and print out the ads to add to your 2011 directory.

AAPL training right in our back yard

APPLIED LAND PRACTICES

Bismarck – Monday, April 16, 2012 - 7:30 am-5:00 pm (\$250 AAPL Member, \$375 Non-Member)

- The Benefits of AAPL Membership and the AAPL Certification Program
- Running Title The Courthouse and the Abstract Plant
- Negotiation and the Landman
- Document Preparation
- The Lease Purchase Report Package
- Runsheet Preparation
- Title Curative
- Ethics

❖ FIELD LANDMAN SEMINAR

Dickinson – Monday, April 23, 2012 - 5:00 pm-8:30 pm

- (FREE for AAPL members, \$50 for Non-Members Goes towards their first-year dues)
- Dinner and Drinks Provided
- Speakers include:
 - Marty Schardt VP/COO of AAPL
 - Leonard, Street and Deinard & Crowley and Fleck Education
 - Estate Curative & ND Probate Laws
 - ND Homestead Laws
 - Title work on lands under production
 - Malloy/3rd Party reservations
 - Water and Railroad Issues
 - SuAnn Olson Eide Bailly
 - Tax issues facing independent contractors/landmen

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North Dakota Petroleum Council Report

Ron Ness, President of the North Dakota Petroleum Council

2012 WBPC - The 2012 WBPC will be held May 22-24 in Bismarck, ND. Exhibitor and attendee registration will open online February 1 at 9:00 a.m. CST. Hotel information for the Bismarck-Mandan area is available on our website, www.ndoil.org. Please make your room reservations and rental car reservations soon. The agenda will be available online Friday, January 20, 2012.

Registration: \$500 (Feb 1 – Apr. 15)

\$600 (Apr. 16 - May 15) \$750 (after May 16)

Booths: \$3,500/booth (cost includes 2 registrations)

Indoor: 10x10 ft. Outdoor: 20x50 ft.

Sponsorships: All sponsors will be included in all marketing materials, including on-site signage and

the conference booklet and website. Bakken Gold - US\$15,000 (only 16 sponsorship spots

Premium end cap booth and adjacent booth

5 registrations

2 Bakken Gold Club parking passes

5 Bakken Gold Club passes

Reserved seating for 5 at Wed. and Thurs. luncheons

½ page color ad in conference booklet 5 speaker/sponsor breakfast invites

Logo in conference booklet and on electronic signage

Diamond – US\$10,000 (only 20 sponsorship spots available)

1 complimentary booth assignment

3 registrations

l Bakken Gold Club parking pass

3 Bakken Gold Club passes

Reserved seating for 3 at Wed. and Thurs. luncheons

1/4 page color ad in conference booklet

3 speaker/sponsor breakfast invites

Logo in conference booklet and on electronic

signage

Platinum – US\$5,000

2 registrations

2 Bakken Gold Club passes

Reserved seating for 2 at Wed. and Thurs. luncheons 1/4 page black and white ad in conference booklet

2 speaker/sponsor breakfast invites

Logo in conference booklet and on electronic signage

Silver - US\$2,500

l speaker/sponsor breakfast invite

Reserved seating for 1 at Wed. and Thurs. luncheons Logo in conference booklet and on electronic signage

Bronze - US\$1.000

l speaker/sponsor breakfast invite

Logo in conference booklet and on electronic signage

NDPC Spring Social – The Petroleum Council will host a social at the Brown Palace on March 14 from 5:30-8:00 p.m. MDT. We are seeking sponsorships of \$500. If you are interested in sponsoring the event, please contact Brittany at ndpc@ndoil.org or 701-223-6380.

Reservations must be made by February 12 to receive the discounted room rate. Please reference the NDPC room block.

Brown Palace Hotel and Spa Reservations

303-297-3111 or 800-321-2599

\$169 per night for Classic Queen Room

\$129 per night for a Standard Queen Room

Comfort Inn Downtown Denver Reservations

303-296-0400 or 800-237-7431 \$189 for Signature King Room

ND Oil Activity -

Preliminary production numbers for November 2011 are 510.000 BOPD from 6,300 wells (both all-time highs) and 521,193 MCFD (all-time high) of natural gas. There are currently 202 rigs active in the state.

January 2012

Mark your calendars!

September 19-20

Safety Committee Meeting - Civic Center, Bismarck, ND February 6 ND Sportsmen's & Oil Industry Forum – Bismarck, ND March 6 March 14 NDPC Spring Social - Brown Palace, Denver, CO Williston Basin Petroleum Conference - Bismarck, ND May 22-24 AAPL Training "Applied Land Practices" - Bismarck, ND April 16 AAPL Training "Field Landman Seminar" - Dickinson, ND April 23 June 11-14 Teacher Seminar - Bismarck, ND July 24 & 26 Bakken Rocks CookFest - Ray and Belfield, ND

NDPC Annual Meeting - Medora, ND

AAPL Director's Report

Rick Larson, AAPL Director

More and more, our oil and gas industry is being chastised by the uninformed media and politicians. At the last Regional Director's meeting a documentary looking at the future of energy was presented. The movie is called "spOILed". It talks about the global uses of carbon based energy in relation to the other sources of energy. The current technology related to those other sources just is not going to provide the world with what oil is giving us. Reference is made to peak oilwhenever that will be or was. The demand for energy will continue to increase. Hydrocarbons are providing the majority of the energy we use. We just do not have anything in the pipeline that is going to substitute or replace it, at this time. The documentary provides much food for thought concerning our future. China is doing everything it can to assure its supply of hydrocarbons. They have the majority of the chemicals that will be necessary for the batteries used in hybrid vehicles. Their government is looking into the future; our government is stifling energy development and looking as far as the next election. They are being misled by the environmental community.

The producer of the movie was available at the meeting and showing to talk about the film. He wants to show it in theaters around the country and is willing to personally come to wherever it is shown to engage the audiences. He needs a local sponsor to do so. The cost is about \$15,000.

More states are looking at oil development and are concerned about how landmen approach the mineral owners. As we all know, a bad name earned by one of us will affect the rest of us. AAPL has been able to provide responses to inquiries on our behalf. Sometimes that response falls on deaf ears. The New York Times called upon AAPL to answer questions about leasing and oil development. The response provided answered their questions, but only one line referred to the response and the reporter just negatively commented on the response. They wanted to make our profession sound like hard selling salesmen. In another instance the AAPL representatives were able to meet with a State's administration to forestall proposed legislation to require licensure of landmen.

Finally, the independent contractor status is being attacked by more

government agencies. Broker's need to be more proactive with assuring they are protected by proper contracts and practices. Become aware of what these agencies look at to assert that someone is an employee and not an independent contractor. If anyone is contacted by a State or Federal agency they should get legal representation sooner than later. The AAPL has recently established a Tax Issues Committee to help any of its members that need assistance. The Committee is also engaging an accounting firm to conduct a study of our industry's common practice to have that as an additional argument against those agencies. The last time that a similar survey was done of this nature was in the early 1990's. The concern is that once it gets started it will spread everywhere.

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 non-traditional 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 **Kate Moser-Black** at Inland Oil & Gas (**kate@inlandoil.net or 701-255-1416**).

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

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This newsletter is the quarterly publication

of the

LANDMAN'S
ASSOCIATION OF

NORTH DAKOTA

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> GRAPHICS, DESIGN, LAYOUT & PUBLISHING: JUNE WEEKS

