



# Michael Late Benedum Chapter

American Association of Professional Landmen

# The Take-Off

April 2016

MLBC  
P.O. Box 955  
Bridgeport, WV 26330

## PRESIDENTIAL ADDRESS

**A**t our March dinner meeting, the speaker, Brent Leftwich, quoted a portion of Michael Late Benedum's Fifth Codicil to his Last Will and Testament. Curious what else I might learn of our chapter's namesake from this Codicil, I found the following excerpts on [www.benedum.org](http://www.benedum.org) and thought I would share it here for the benefit of anyone else who hasn't read it.

*Written just two years before his death in 1959, this statement reflects Mr. Benedum's charitable intentions:*

The disposition of a not inconsiderable estate is never an easy assignment. It has been a thorny & laborious problem for me because, recognizing my frailty & inadequacy, I have not been able to lose sight of the awesome responsibility involved.

If I could have looked upon my material goods as personal property, belonging to me alone, my task would have been immeasurably lighter. But I have never regarded my possessions in that light. Providence gives no fee simple title to such possessions. As I have seen it, all of the elements of the earth belong to the Creator of all things, and He has, as a part of the Divine Purpose, distributed them unevenly among His children, holding each relatively accountable for their wise use and disposition.

I have always felt that I have been only a trustee for such material wealth as Providence has placed in my hands. This trusteeship has weighed heavily upon me. In carrying out this final responsibility of my stewardship, I have sought to utilize such wisdom and understanding of equity as the Creator has given me. No one with any regard for his responsibility to his God and his fellow man should do less. No one can do more.

As I have seen it, life is but a proving ground where Providence tests the character and mettle of those He places upon the earth. The whole course of mortal existence is a series of problems, sorrows & difficulties. If that existence be rightly conducted, it becomes a progress towards the fulfillment of human destiny. We must pass through darkness to reach the light.

Throughout my adult life, day by day & year by year, I have been instilled with the conviction that wealth cannot be measured in terms of money, stocks, bonds, broad acres or by ownership of mine and mill. These cannot bear testimony to the staple of real excellence of man or woman. Those who use a material yardstick to appraise their wealth and foolishly imagine themselves to be rich are objects of pity. In their ignorance and misanthropic isolation, they suffer from shrinkage of the soul.

## INSIDE THIS ISSUE

Dinner Meeting Sponsors ....	3
Member Spotlight .....	4
Keep the Momentum.....	5
Dual Purpose Lease Article ..	6
MLBC Awards Criteria .....	6
MLBC Director's Report.....	8
New Members.....	11
Bankruptcy Article.....	12
AAPL Continuing Ed .....	4
Spring Golf Outing Info.....	15
Social Event Flyer .....	16
Sponsorship Opportunities ..	17
Corporate Sponsors .....	18
Executive Committee.....	19
Committee Chairs .....	20
MLBC Schedule.....	20
Seminar/Dinner Pictures .....	22
Looking Back .....	25
Member Info .....	33

## Upcoming events

[Click Here to Register](#)  
*Spring Social Event*  
*April 22, 2016*

[Click Here to Register](#)  
*Spring Golf Event*  
*May 13, 2016*

## PRESIDENTIAL ADDRESS CONTINUED

All of us aspire to a higher and better life beyond this, but I feel that the individual who seeks to climb the ladder alone will never find the way to Paradise. Only those who sustain the faltering ones on the rungs above and extend a helping hand to the less fortunate on the rungs below, can approach the end with the strength of sublime faith and confidence.

At the end of life each of us must face the great teacher that we call death. Stern, cold & irresistible, it walks the earth in dread mystery and lays its hands upon all. The wealth of empires cannot stay its approach. As I near my rendezvous with this common leveler of mankind, which takes prince and pauper alike to the democracy of the grave, I do so with resignation to the will of God, and with faith in His eternal justice.

Life has been sweet to me...sweet in the loved ones that have been mine, sweet in the friends who have surrounded me & rewarding in the opportunities that have come my way. I could not leave this earth with any degree of happiness and satisfaction if I felt that I had not tried to bring some of these joys to those less fortunate than I have been.

We know not where seed may sprout. In the poorest and most unregarded child who seems to be abandoned to ignorance and evil, there may slumber virtue, intellect and genius. It is our duty to sow and to nurture, leaving it to others to harvest the fruits of our efforts.

While I am conscious that my love for the land that gave me birth has been an influence in guiding the disposition of my estate, there are other practical reasons why I have favored my native state of West Virginia. It is not that I am unmindful or unappreciative of my adopted home of Pennsylvania, but rather that I have sought to appraise and balance the needs of each and the available potential for supplying those needs.

I cannot close my eyes to the realistic consideration that Pittsburgh and Pennsylvania abound in riches, having a citizenship in which men of great wealth are more common than rare. West Virginia is in a less fortunate position. There can be no question but that its needs are much greater than those of my adopted home. Consequently, in making specific provisions for West Virginia institutions, I have done so in good conscience, with a sense of equity & with recognition of a responsibility to distribute my estate in a way that will bring the greatest good to the greatest number. This decision was not made lightly or impetuously.

Conscious that in this Codicil to my Last Will & Testament, I am figuratively speaking from the grave, and that the great book of my account with the Creator has been closed beyond change or amendment, I submit my soul to His tender mercy, and my memory to the generosity & compassion of my fellow man.

Signed by Michael L. Benedum  
on the 15th day of June 1957

The Michael Late Benedum Chapter of the American Association of Professional Landmen is the only local association named after a *person*, rather than a geographic area or basin. As a chapter we should be proud to carry such a namesake.

Aaron R. Yost, CPL  
President 2015-2016

## **February Dinner Meeting Sponsors**

Larkspur Land Group LLC

Steptoe & Johnson

Arnold Schulberg

Marietta College Land & Energy Management Program

Bowles Rice

Bounty Minerals Management

## **March Dinner Meeting Sponsors**

Armstrong Search & Associates

Larkspur Land Group LLC

Tucker Arensberg

Contract Land Staff

Dickie, McCamey & Chilcote, P.C.

Steptoe & Johnson

## **March Clay Shoot Sponsors**

Clearwater Land Service

Hawkeye Research

Back Roads Energy

## MEMBER SPOTLIGHT

**A**nthonny Romeo, Regional Land Manager at Mountaineer Keystone, currently serves the MLBC as a Director on the Executive Committee. Mr. Romeo was born and raised in West Virginia and currently resides in Morgantown, where he enjoys spending time with his children, skiing during the winter months, golfing (or hacking, as he joked) in the spring and summer. He has been employed in the oil and gas industry for the past eight years and has experience working in Ohio, Pennsylvania, and West Virginia. Most notably, and prior to entering the oil and gas industry, Mr. Romeo served in the U.S. Army as a medic with the 101<sup>st</sup> Airborne Div. I-327 Infantry Regiment.



His service to our country and his desire to serve the MLBC encouraged Anthony to become the first-ever MLBC Veterans Representative. If you recall, he sent an introductory email to all MLBC Members and mentioned that he had several goals he hoped to accomplish while serving our chapter and its members. Mr. Romeo noted that he would capitalize on opportunities to recognize our own members who are veterans, encourage member veterans to become more involved in the chapter, provide assistance to veterans, and become more involved with local veteran charities. Reflecting upon the past year or so, Anthony has accomplished his goals and continues to grow in his service to our chapter.

In the fall of 2014, shortly after his appointment as the Veterans Representative, Anthony buckled down and went to work serving the MLBC. In association with Veterans Day 2014, Anthony wrote a “Thank You to Our Veterans” reflecting on the 11<sup>th</sup> hour of the 11<sup>th</sup> day of the 11<sup>th</sup> month of 1918, the day an armistice was declared between the Allied Nations and Germany in the First World War. Furthermore, eight MLBC Veterans were recognized by name and the reader was encouraged to be mindful of Veterans Day. This article was published in local newspapers during the month of November, 2014.

In the same month, Anthony assisted EQT employee Lisa Moore, a veteran who served in the United States Air Force from 1983 to 1994. With only one vehicle, suffering from degenerative disc disease and spinal stenosis, and her husband, Kip Moore, working in distant locations, travel to and from doctor appointments was difficult for Mrs. Moore. After hearing about Lisa’s predicament and in light of his willingness to provide assistance to local veterans, Anthony introduced Lisa to the Keys to Progress Program. Mrs. Moore was awarded a vehicle through this program on Veterans Day 2014.

In 2015, through the support of its members, the MLBC raised ten thousand dollars for the Paralyzed Veterans of America during the Inaugural MLBC Charity Clay Shoot. Anthony played a major role in organizing this successful event. Not only did this event provide direct financial support to the community and veterans, but Anthony also invited four local veterans to participate in the event.

Article IV, Item #5 of the MLBC By-laws states that one of the organizational purposes of the chapter is *“Providing members with opportunities for community service.”* I applaud Anthony for serving this chapter in a respectable manner and in a fashion that displays a prime example of our chapter’s by-laws. Anthony and I discussed the MLBC and the importance of the networking opportunities that it provides. I leave you with a quote from Anthony: “These relationships are especially important during times of downturn as they can lead to new opportunities and build credibility within the Appalachian landman workforce.” Thank you for your service to our chapter and to our communities, Mr. Romeo!

Robert K. Greiner, RPL  
Marketing Committee Chair

## Keep the Momentum

Well, it is finally happening. All of the stories we have been hearing from seasoned landmen about the down turns are finally starting to make sense. How this industry is feast or famine, has now become apparent to everyone. When it's been the norm to have daily fire drills and so much work that you can't seem to get ahead, it feels so unnatural for things to slow down. You may not have even realized how busy you were until you continue to refresh your inbox, thinking that you must have gotten more emails than what is showing. Once you get over the shock of things slowing down, it's easier to leave a little early, take a longer lunch or waste time playing on the internet instead of working. It's hard to keep focused and find the new balance of your schedules, but now is a more important time than ever to keep focused! During the slow periods management has time to evaluate their staff and take a look around at their processes and make improvements. Instead of chasing the project and putting out fires, everyone now has time to look at the work that needs done and evaluate how it is getting done.

Unfortunately, with slow times and downturns, comes job cuts and shifts in responsibilities. This can make the most confident of landmen feel insecure. Although there may not be anything you can do to prevent these changes, you can do your best to show how much of an asset you are! Now is the time for people to truly show they are a team player and they bring more to the group. You want to make sure you are staying busy and trying to diversify your skill set. Be proactive in your own knowledge base. Offer to help out in other areas that could benefit from your department slowing down. Offer new ideas to help with inefficiencies or ways to cut costs. Someone who is being preemptive with diversifying their expertise in numerous roles or responsibilities will be more marketable to the company or project.

You also want to ensure you are setting a good example for your peers. Make sure you are treating your job just as professionally and with just as much respect as if you were at your busiest time chasing a rig line. Just because your responsibilities have shifted and you may not be dealing with as many issues or quick turn-around times, doesn't mean there is nothing to be done. There is always something productive you can be doing to help out the overall project or company. Don't be afraid to step outside of your comfort zone and do not let your own ego get the best of you. If you are used to running the show and all of the sudden you are tasked with filing papers, treat that responsibility with just as much respect because let's face it, there a lot of great landmen out there that would take the opportunity you have in front of you! Don't take your job or your responsibilities for granted.

Keep in mind what all of the seasoned landmen have told you, "This industry is very cyclical." "We have been here before, it will come back." Don't lose momentum, and stay positive for yourself and your colleagues. This is an amazing industry for us to be working in, and we are going through a downturn but it won't always be like this. The more you make of this downturn the more you will get out of it. Make sure to position yourself to where you have proven your work ethic and your commitment to hard work is evident. It could potentially set you up for a brighter future and more opportunity for when things turn around, which will be sooner rather than later!

# Pennsylvania Superior Court Confirms “Dual Purpose” Lease Not Severable

The latest attempt to terminate a production/storage lease has been thwarted by the Pennsylvania Superior Court in the case of Loughman v. Equitable Gas Co., LLC. The Court found that the 1966 lease, which granted Equitable Gas the right to produce gas or to store gas, should be construed as a whole unless there is express language that a contract is entire. The Court found clarity in the habendum clause that the parties intended the term of the lease to continue:

as long after commencement of operations as said land is operated for the exploration or production of gas or oil, **or** as gas or oil is found in paying quantities thereon, **or** stored thereunder **or** as long as said land is used for the storage of gas **or** the protection of gas storage on lands in the general vicinity....

The Superior Court relied on the Pennsylvania Supreme Court’s finding in Jacobs v. CNG Transmission Corp. that if severability of production and storage rights is not clear, a court may look at the contract as a whole to determine intent. The Court affirmed summary judgment for the lessee, finding that the durational provisions of the lease were “clearly and unambiguously written in the disjunctive,” providing that the lease “shall continue during either production or storage.”

[Click here](#) for a complete summary of the ruling.

For questions about this decision or other lease disputes, contact a member of the [Steptoe & Johnson Energy Litigation Team](#).

Bridget Furbee, Member  
Steptoe & Johnson PLLC

**Copyright © 2016 Steptoe & Johnson PLLC. All Rights Reserved.**

[Disclaimer](#) | [Feedback](#) | [www.steptoe-johnson.com](http://www.steptoe-johnson.com)

[Facebook](#) • [Twitter](#)

## MLBC AWARDS CRITERIA

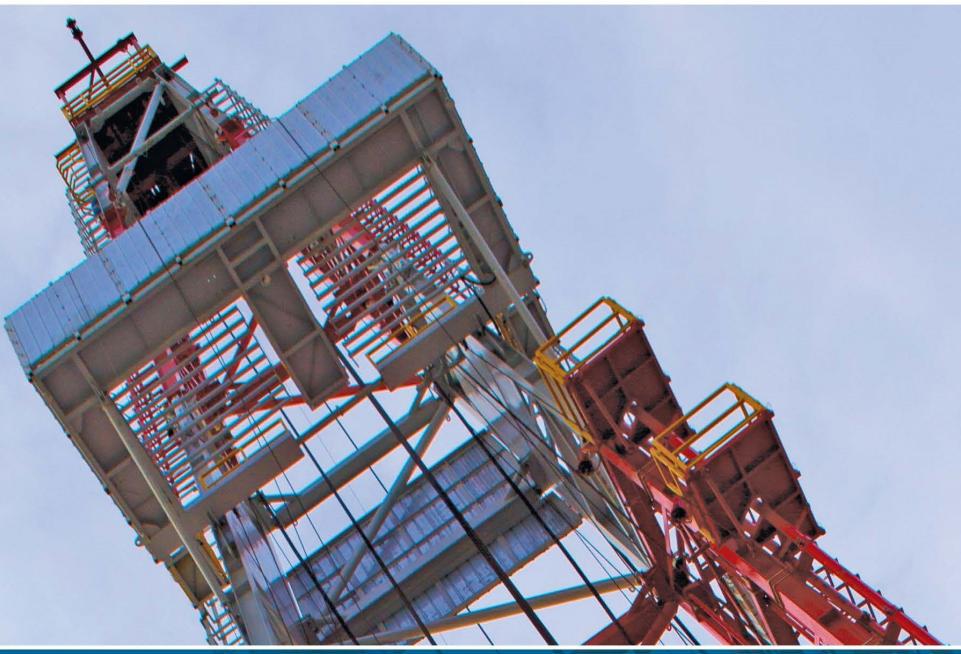
**T**he MLBC Awards Committee is calling for nominations for our 2016 Awards Program. The Awards, which will be conferred at the June meeting, consist of the following:

The award for **Best Member Communication** was established to recognize the best single communication by an MLBC member during the 2015 calendar year. The communication may be written or oral, but if oral, a written transcript must be submitted. The communication may be to the MLBC, to AAPL, or to the industry but must pertain to the land profession. The individual must be a member of MLBC for his or her entry to be considered.

The **Friend of MLBC Award** was established to recognize a company or individual that has made significant contributions to the betterment of the MLBC in any way deemed worthy of recognition.

The **J. W. Findley Lifetime Achievement Award** was named after the organizer of the inaugural MLBC meeting held on July 17, 1959, and the organization’s first President. The award is the highest and most distinguished honor of our association. The award was established to recognize an MLBC member who has demonstrated excellence and integrity in contributing to our association and our profession. Current MLBC officers are excluded from nomination.

Please submit all nominations to the Awards Committee Chairman, Arnie Schulberg, at [aschulberg@schulberglaw.com](mailto:aschulberg@schulberglaw.com). The last day that nominations will be accepted is April 30, 2016.



Industry Intelligence. Focused Legal Perspective.  
**HIGH-YIELDING RESULTS.**



Meet our attorneys at [babstcalland.com](http://babstcalland.com).

Whether it's a state or federal regulatory matter, local land use or zoning challenge, acquisition of title and rights to land, or jointly developing midstream assets, we help solve complex legal problems in ways that favorably impact your business and bring value to your bottom line.

**Babst Calland**  
Attorneys at Law

*Where Trust and Value Meet.™*

## MLBC Director's Report

**O**n March 19<sup>th</sup>-20<sup>th</sup> 2016, I attended the Quarterly Board of Director's meeting at the J.W. Marriott Star Pass Hotel in Tucson, Arizona. It was a busy weekend in the desert beginning with the lively roundtable discussion and reception Saturday, thru the all-day BOD meeting Sunday.

The following summary includes in particular, items which may be of local interest.

**Marietta College:** By a unanimous vote of the board of directors, Marietta's Land & Energy Management program is now AAPL accredited. The college becomes the twelfth AAPL accredited program in North America, and the third in Region II, which includes Penn State University and West Virginia University. Marietta currently has 48 students majoring in LEM.

Congratulations to Marietta College!

**Four Corners Association of Professional Landmen:** FCAPL is no longer associated with AAPL, "due to irregular bookkeeping and financials not being timely reported to state and federal agencies". The good news is, a re-organization has occurred resulting in the **San Juan Basin Landman's Association (SJBLA)**. The BOD voted unanimously to accept the SJBLA as an AAPL affiliate.

**Membership and Certification:** As of February 22<sup>nd</sup> **Total Membership** was **18,276**. There were 15,442 Active Members; 2,203 Associate Members 172 Senior Members; and 459 Student Members. There are 2292 CPLs, 2039 RPLs and 600 RLs; bringing the total of land professional designees to **4631**.

**Financial** (for period ending December 31, 2015): Compared to December 31, 2014, assets have decreased from \$34,212,385, to \$30,730.618 a change of \$3,481,767 or 10.2%. This was due in large part to paying \$1,338,651 on the building loan, transfers of \$1,150,000 to the operating account to meet day to day expenses, and the decline in the market value of the investments. **Revenues** decreased 32.4% during the same time period, largely as a result of the discount program related to education (which ended 12/31/15), the elimination of recertification fees, and decrease on NAPE distributions and management fee. **Expenses** have increased 20.4% from \$3,354,503 to \$4,039,809. The increase is a result of the inclusion of depreciation as an expense, computer/internet contract labor costs associated with the implementation of *Personify* and other technology. Other expenses include credit card processing fees and building repair/maintenance. The **budget for 2016-2017** was not established. After lengthy (at times heated) discussion during the board meeting, some questions remain regarding certain proposed adjustments.

**NAPE:** Although the attendance was down at **NAPE Denver** (held last December) - 1,606 (compared to 2,559 the previous year) it is worth mentioning, a profit was made for the first time in its existence. Attendance at **NAPE Summit** was also down - 11,353 (compared to 14,947 in 2015). However, both events exceeded expectations and were deemed successful. Looking back on **NAPE 2015**, \$6.88mm in net proceeds were distributed to the NAPE partners and AAPL's share of the net proceeds and management fees totaled \$4.52mm (final numbers are subject to 2016 audit).

**AAPL Membership Renewal:** This service will be available in April. To renew, simply visit [www.LANDMAN.org](http://www.LANDMAN.org) and click on the Road to Renewal banner on the home page. Options include renewing for one-, three- or 5- year periods. You can save \$50 by renewing for three years, or save \$100 by renewing for five years.

**Form 610-2015 JOA:** The task force has concluded its work. Numerous presentations are being scheduled, including two at the annual meeting in Orlando. A few steps remain, i.e., software testing, license agreement, implementation/deployment process and finally, rollout.

**Government Affairs:** A reminder that Russell Cohen, Government Affairs Analyst, continues to provide weekly updates. You can go to [www.landman.org/about-aapl/government-relations](http://www.landman.org/about-aapl/government-relations) to view the reports or to [www.mlbc-aapl-org/](http://www.mlbc-aapl-org/) where they are posted regularly by Tara White.

**Education:** As many of you are aware, AAPL's Education Department currently hosts live seminars in major energy hubs and in smaller markets in which landmen are working. As a result of the industry slump, AAPL is exploring ways to help keep costs down, while continuing to provide top notch seminars. Several options were proposed during the BOD meeting. Note that changes were not suggested for the major Land Institutes, including the very successful Appalachian Land Institute held annually in the Pittsburgh area. Stay tuned.

**Tax Issues/AAPL Toolkit:** Tom Havenstrite, chairman of the Tax Issues committee reported there are currently several brokerage companies under investigation by the Labor Department in Pennsylvania. The online AAPL Toolkit is a good source of information, especially for independent landmen. It also has factual videos pertaining to topics such as water quality, hydraulic fracturing and seismic activity.

### **AAPL Upcoming Local Events:**

- ⇒ **Field Landman Seminar** - April 7<sup>th</sup> Pittsburgh Airport Marriott Hotel, Coraopolis. 2 CPLRPL/RL credits available. Free to current members; \$50.00 to NON-members, which may be applied to first years AAPL membership. Note change in policy; there will be a "cash bar" which will be closed during the presentations.
- ⇒ **Oil and Gas Land Review, CPL/RPL Exam** - May 17th-20<sup>th</sup> Pittsburgh Airport DoubleTree by Hilton. 18 CEU 1 CEU Ethics available.
- ⇒ **WI/NRI Workshop** - June 3<sup>rd</sup> Best Western Plus, Bridgeport, WV. 6 CEU Available 8:30 AM – 3:30 PM

**Landnews:** A job board is the newest feature with approximately 100 entries thus far. It is anticipated the mobile app will be available in time for use at the annual meeting in Orlando.

**Publications:** The committee is looking for articles for consideration to publish in the *Landman* and *Landman 2* magazines. Please submit articles to Andrea Spencer, of the AAPL staff at [aspencer@landman.org](mailto:aspencer@landman.org).

**AAPL 62<sup>nd</sup> Annual Meeting** - Please be sure and check out the flyer included in the newsletter.

I hope you will consider attending if at all possible.

The next quarterly board meeting will be held June 14<sup>th</sup>-15<sup>th</sup> in conjunction with the annual meeting in Orlando. Please contact me at [bruce.turner@steptoe-johnson.com](mailto:bruce.turner@steptoe-johnson.com) if you have concerns, questions or suggestions. Your feedback is appreciated.

Bruce Turner

National Director Representing MLBC



# ANNUAL MEETING

AAPL'S 62<sup>ND</sup> ANNUAL MEETING JUNE 15 - 17, 2016



REGISTER BY MAY 1 FOR BEST PRICES [WWW.LANDMAN.ORG](http://WWW.LANDMAN.ORG)

## New MLBC Members – February 2016

First Name	Last Name	Employer	Member Type
Sandra	Hensley		Active
Jacob	Velasco		Active
Kimberly	Clark-Yoder		Active
Paul	Konggaard		Active
Todd	Fleming		Active
Patrick	Bair		Active
Craig	Wiest	Carrizo Oil and Gas, Inc.	Active
Eric	Lee	CNX Gas	Active
Kyle	Stefancik	CNX Land	Associate
Mallory	Bennett	Eclipse Resources	Associate
Rachel	Keyser	Eclipse Resources	Associate
Scott	McChesney	EQT	Active
Michelle	Brown	EQT	Associate
Jessica	Roner	EQT	Active
Kelly	Taylor	GIS Analyst II	Active
April	Horne	Independent Landman	Active
Spence	Hale	Independent Contractor	Active
Dan	Bajerski	Keystone Consultants, Inc.	Associate
Jacob	Lenington	Lenington & Parrino LLP	Associate
Alan	Eads	McDonald Land Services	Active
Amy	Sillers	Noble Energy	Active
Karly	Nanz	Noble Energy, Inc.	Active
Anthony	Ball	Noble Energy, Inc.	Active
Jesse	Raymond	Raymond Land Services	Active
Rudolph	Duranti	Spilman Thomas & Battle	Associate
Lyndsey	Pinkerton	Tioga resources LLC	Active
Jeannie	Granger	Viking Land Services, LLC	Active

[www.mlbc-aapl.org](http://www.mlbc-aapl.org)

## New MLBC Members – March 2016

First Name	Last Name	Employer	Member Type
Terry	Hatcher		Active
Kelly	O'Bryan da Mota		Associate
Brian	Kraus		Active
Rachel	James	Babst Calland	Associate
Scott	McKernan	Babst Calland	Associate
Luke	Slagel	Chevron	Active
Jack	Arnold	Chevron Appalachia LLC	Active
Trisha	Hennessey	Dominion East Ohio	Associate
Todd	Kiger	Electrical Systems, Inc.	Associate
Jeff	Bleicher	Mcdonald Land Services	Active
Tyson	Gardner	S & A Property Research, LLC	Active
Matthew	Moon	Shale Land Services	Active

## BANKRUPTCY COURT ADDRESSES MIDSTREAM CONTRACT DEDICATION COMMITMENTS

Midstream companies commit to invest millions in capital to construct the pipelines and facilities required to provide gathering, processing, and fractionation services to producers based on a number of supply and pricing models and contracts with producers. Many of these investment decisions significantly rely upon contractual language documenting the parties' agreement that the producer's "dedication" of its produced gas and products from specified lands and leases to the midstream is a covenant that "runs with the land."

While not a binding precedent, last week a Bankruptcy Court held that these dedication provisions are, like the other provisions in the contract, executory in nature, not covenants that "run with the land" under Texas law, and may be rejected by the debtor producer.

The midstream commercial model relies on contracts with oil and gas producers containing volumetric, or pay-as-you-flow, rates and charges, instead of relying more heavily on monthly rental or demand payments. This pricing structure is appealing to producers and a competitive advantage to midstream companies, even when coupled with some minimum volume or payment provisions. In exchange, the midstream relies on the producer's dedication to the midstream that all of a producer's gas in a geographic region or associated with certain leases will be dedicated to and flow only through that midstream's pipelines. In addition to these being contractual commitments (binding on successors and assigns), the contracts typically contain the parties' agreement that the producer's dedication is a covenant that "runs with the land." On this paradigm, midstreams commit to invest millions in capital to construct the pipelines and facilities required to provide gathering, processing, and fractionation services to producers.

This paradigm may be subject to review in light of a Bankruptcy Court's recent holding allowing a debtor-producer to reject its midstream contracts, including the dedication provisions in those contracts, after reasoning that the dedication provisions were, like the other provisions in the contract, executory in nature and not covenants that "run with the land" under Texas law.

Debtor, Sabine Oil & Gas Corporation, in a Chapter 11 bankruptcy proceeding, sought to reject four midstream contracts (the "Contracts") under Section 365(a) of the Bankruptcy Code, which Debtor had become a party to as a result of its combination with Forest Oil Corporation. The Contracts stated that they were to be governed by Texas law and there was no dispute on that issue in this proceeding. The Bankruptcy Court held that the dedication provisions were not real covenants or equitable servitudes that run with the land and allowed the Debtor to reject the Contracts, including the dedication commitments therein, as "executory" contracts and as a reasonable exercise of business judgment by the Debtor.

In the Contracts, as is typical for midstream agreements, the Debtor agreed to dedicate all of the gas, liquid hydrocarbons, oil and water, respectively, produced by the Debtor from a designated geographic area, or from wells located on lands subject to certain identified leases, for delivery to the midstream company, and, in some instances, also agreed to deliver a minimum volume of gas or products annually to the midstream company. Each of the Contracts contained a provision stating that the agreement and dedication therein is "a covenant running with the land" within the designated geographic area or with respect to the identified leasehold interests, and stated that they were binding and enforceable with respect to successors and assigns.

The midstream companies made several arguments in opposition to the Debtor's desire to reject the Contracts, including that the dedication provisions are covenants running with the land, and, therefore, would survive rejection. At the outset, the court observed that if the covenants at issue do not run with the land, the Debtors are free to reject and negotiate new midstream agreements with any party; but, if the covenants run with the land, the Debtors cannot reject them and will be bound to pursue alternative arrangements with the midstream companies that are parties to the Contracts.

## BANKRUPTCY COURT ADDRESSES MIDSTREAM CONTRACT DEDICATION COMMITMENTS CONTINUED

Thus, the Bankruptcy Court was compelled to engage in a (non-binding<sup>[1]</sup>) analysis of whether the covenants at issue run with the land under Texas law. Finding no dispositive decision from the Texas Supreme Court on the topic, the Bankruptcy Court proceeded to analyze the Contract's dedication provisions as either real covenants or an equitable servitude under Texas law.

The court determined that a covenant runs with the land under Texas law when it:

- Touches and concerns the land;
- Relates to a thing in existence or specifically binds the parties assigns;
- Is intended by the original parties to run with the land; and
- The successor to the burden has notice.

The court noted that some courts also require that the parties have "horizontal privity of estate," and considered this as an additional required element in the analysis.

The court held that there was no horizontal privity of estate between the parties to the Contracts. In simple terms, the parties to the Contracts entered into an agreement for the performance of certain services related to the gas and products produced from real property, but the Contracts did not, in the traditional sense; for example, as part of the conveyance of property; involve one party reserving an interest in real property. Furthermore, the Contracts did not grant the midstream companies a real property interest in the Debtor-producer's mineral estate.

The court also held that the dedications do not "touch and concern" the land, which, the court opined, is a two-part test under Texas law. "The covenants at issue here do not satisfy either test: they do not impact the value of the land 'independent of collateral circumstances' and do not affect any interest in real property of, or its use by, the owner." The court reasoned that, under Texas law, once the minerals are produced, they cease to be real property and become personal property, and held that the Contracts concern only rendering services with respect to that personal property (gas and products produced).

This is true even for Debtor's dedication of certain leases...that dedication is in furtherance of the overarching purpose of the contract, which is to provide product services to the Debtors....the "dedication" does not constitute a burdening of the Debtor's property interests, but rather an identification of what property or products are subject of the [Contracts]. Under Texas law, such covenants do not have a direct impact upon the real property from which those products were produced and thus do not "touch and concern" the land. They concern only the Products produced from real property and affect only [Debtor's] personal property rights.

Likewise, while covenants running with the land are often 'triggered' by the assignment of real property interests, the court reasoned that "here the triggers for the covenants at issue relate to the [produced products], not to the land itself....The land itself remains unburdened."

Often, midstream agreements like the Contracts, or a memorandum summarizing the key terms of the Contracts and the land or leases they impact, are filed for recording in local county clerk or recording offices to place third parties on notice. The midstream companies here also made "local recordings" in connection with the Contracts, but this did not bear upon the court's analysis.

After concluding that the dedication covenants do not touch and concern the Debtor's land and do not satisfy the horizontal privity paradigm, the court did not perform further analysis under the other above-mentioned factors. Since the court concluded that the covenants did not touch and concern the land, it also held that the dedication covenants are not enforceable as equitable servitudes.

# BANKRUPTCY COURT ADDRESSES MIDSTREAM CONTRACT DEDICATION COMMITMENTS CONTINUED

## **Conclusion.**

Many, if not most, midstream contracts state that they are governed by Texas law, even those pertaining to gas and oil production outside of Texas. While the above analysis is not binding on other courts, it will undoubtedly be looked upon and reviewed by other courts required to address this issue whether within or outside of a bankruptcy context. Of course, the analysis will be different under the law of other states and commonwealths and not all midstream contracts are identical.

[Click Here for a Copy of the Bankruptcy Order](#)

Kurt L. Krieger

Steptoe & Johnson, PLLC

**Copyright © 2016 Steptoe & Johnson PLLC. All Rights Reserved.**

[Disclaimer](#) | [Feedback](#) | [www.stephoe-johnson.com](http://www.stephoe-johnson.com)

[Facebook](#) • [Twitter](#)



## CONTINUING EDUCATION OPPORTUNITIES

AAPL offers various educational programs, workshops and regional institutes for landmen as well as oil and gas professionals. The association also provides review and testing opportunities for those interested in obtaining RL, RPL and CPL certification designations.

April 7, 2016 - [Field Landman Seminar - Pittsburgh, PA](#)

May 17-20, 2016 - [Oil and Gas Land Review, CPL/RPL Exam - Pittsburgh, PA](#)

June 3, 2016—[WI/NRI Workship—Bridgeport, WV](#)

AAPL offers three certifications that are proven to enhance a member's credibility in the industry and to increase earning potential for landmen.

**Certified Professional Landman (CPL)** – The highest designation offered in the energy management industry, CPL certification is the standard by which landmen demonstrate their comprehensive competence, proficiency and professionalism in the landman field.

**Registered Professional Landman (RPL)** – The mid-level designation offered by AAPL, RPL certification distinguishes a landman as knowledgeable, experienced and professional.

**Registered Landman (RL)** – The initial level of certification, RL certification signifies a fundamental knowledge of the land industry as well as a landman's commitment to furthering their education.

For more information on why becoming a [certified landman is important, click here.](#)



# Michael Late Benedum Chapter

American Association of Professional Landmen

## 8th Annual MLBC Spring Charity Golf Outing

Friday, May 13, 2016 @ 11:30am

Oglebay Resort, Wheeling, West Virginia

Benefiting WVU Children's Hospital and

Children's Hospital of Pittsburgh

WHERE: Oglebay Resort in Wheeling, West Virginia  
(Palmer and Jones Courses)

WHEN: Friday, May 13, 2016

STARTING TIME: 11:30 am

COST: \$175 per player, which includes Greens Fee, Cart, MLBC Logo Shirt, Box Lunch, Social Hour, BBQ Dinner/MLBC Meeting, Raffle Prizes, and Awards

FORMAT: 4 Person Scramble

AWARDS: 1st - 4th Place Teams on each course  
Men's and Women's Long Drive on each course  
Closest-to-Pin on all Par 3s

PRIZES: Raffle Prizes To Be Given Away At Dinner

Official registration will open March 31st, but you can email Jeff Junstrom at [ijunstrom@tuckerlaw.com](mailto:ijunstrom@tuckerlaw.com) to reserve your team today!

We Look Forward To Seeing You at Oglebay!

\*Individuals not playing golf may still attend BBQ Dinner. Monthly MLBC meeting will follow dinner.



# **Join Us At The Tiki Bar**

## **MLBC's 2016 Spring Social Event**

### **Click Here to Register**



**Featuring The Company Stores**  
[thecompanystores.com](http://thecompanystores.com)

**Friday, April 22, 2016**  
**Tropics Restaurant & Bar**  
**2500 Cranberry Square**  
**Morgantown, WV 26508**  
**6:00 PM**

**Member & Member Guest Registration: \$30**

**Non Member Registration: \$50**

**Student Registration: \$30**

**Registration includes drinks, food and entertainment**

Lakeview Golf Resort & Spa Room Rates have been confirmed for \$109 per night + tax

Call 304-594-111 and mention Michael Late Benedum Chapter

## CORPORATE SPONSORSHIP LEVELS

### **Platinum \$5,000.00 per year**

#### Benefits of Platinum Sponsor

- Logo on the corporate sponsor board at every meeting along with the meeting sponsor board.
- Logo on the back of every Takeoff and the bottom of every membership email.
- Receive three meeting/dinner passes for each meeting for one year.
- Receive one free Full Page advertising ad.
- Receive free Half Page ad in the takeoff per year.
- Logo on Golf Outing sponsorship boards.



### **Gold \$2,500.00 per year**

#### Benefits of Gold Sponsor

- Logo on the corporate sponsor board at every meeting.
- Logo on the back of every Takeoff and the bottom of every membership email.
- Receive one free Half Page advertising ad in the Takeoff per year.
- Logo on Golf Outing sponsorship boards.



### **Silver \$1,500.00 per year**

#### Benefits of Silver Sponsor

- Logo on the corporate sponsor board at six meetings.
- Logo on the back of every Takeoff and the bottom of every membership email.
- Receive one free Half Page advertising ad in the Takeoff per year.



### **Bronze \$750.00 per year**

#### Benefits of Bronze Sponsor

- Logo on the corporate sponsor board at three meetings.
- Logo on the back of every Takeoff.



### **Advertising in The TakeOff**

Full page ad \$500.00 per month

Half page ad \$250.00 per month

### **Dinner Meeting Sponsorship**

Cost \$250.00 per meeting. Companies will receive advertising at the dinner meeting as well as your logo displayed on our website for the month of the meeting you sponsor.

To secure a corporate sponsorship, advertise in the Take-Off, or if you have any questions please contact Tara White @ [twhite@mlbc-aapl.org](mailto:twhite@mlbc-aapl.org). Please contact Lhag Bowers at [lhag.bowers@percheronllc.com](mailto:lhag.bowers@percheronllc.com) for dinner meeting sponsorships.

# MLBC Corporate Sponsors

## Platinum

**Babst Calland**  
Attorneys at Law

**Mountaineer Keystone**

**STEPTOE & JOHNSON PLLC**



**VORYS**

COMPLETE TITLE SOLUTIONS  
ENERGY LAND SERVICES

**JACKSON KELLY**  
ATTORNEYS AT LAW PLLC

Higher standards make better lawyers.®

## Gold



Cabot Oil & Gas Corporation



**STOLL  
KEENON  
OGDEN**



Campbell Development L.L.C.

**SWN**  
Southwestern Energy®

**TUCKER ARENSBERG**  
Attorneys

## Silver

**Holland Services**

**BRIGHTON**  
RESOURCES INC.

**Terra**  
TERRA SERVICES, LLC

**LGR** Lewis Glasser  
Casey & Rollins PLLC  
LAW OFFICES

**BALDERSON**  
LAW OFFICE, PLLC

**ARNOLD SCHULBERG**  
ATTORNEY AT LAW  
16591 Sagamore Bridge Way • Delray Beach, FL 33446  
304.760.2345  
aschulberg@schulberglaw.com

**HURON**  
LAND SERVICES, LLC  
304.760.2345  
16591 Sagamore Bridge Way  
Delray Beach, FL 33446  
aschulberg@schulberglaw.com

## Bronze

**SPILMAN**  
ATTORNEYS AT LAW

**M**  
GEORGE MASON LAW FIRM, PSC

**iLandMan**  
INNOVATIVE LANDMAN SOLUTIONS

**CINCO** ENERGY MANAGEMENT GROUP

# 2015-2016 EXECUTIVE COMMITTEE

**President**

Aaron R. Yost, CPL  
Percheron Energy  
[aaron.yost@percheronllc.com](mailto:aaron.yost@percheronllc.com)

**Director**

Anthony Romeo  
Mountaineer Keystone  
[aromeo@mkeystone.com](mailto:aromeo@mkeystone.com)

**Vice President**

John Kimbleton, CPL  
Latitude Land and Regulatory  
[jkimbleton@gmail.com](mailto:jkimbleton@gmail.com)

**Director**

Jeremy White, RPL  
EQT  
[jwhite@eqt.com](mailto:jwhite@eqt.com)

**Secretary**

Jeremy Preston, RPL  
EQT Production  
[jpreston@eqt.com](mailto:jpreston@eqt.com)

**Director**

Lori Naser  
Oil & Gas Title Abstracting  
[Lori.naser@ogta.com](mailto:Lori.naser@ogta.com)

**Treasurer**

Britney Crookshanks, RPL  
Northeast Natural Energy  
[bcrookshanks@nne-llc.com](mailto:bcrookshanks@nne-llc.com)

**National Director**

Bruce Turner  
Steptoe & Johnson PLLC  
[bruce.turner@steptoe-johnson.com](mailto:bruce.turner@steptoe-johnson.com)

**Sergeant-At-Arms**

Christa Dotson  
EQT Production  
[cslotson@eqt.com](mailto:cslotson@eqt.com)

**President Emeritus**

Anthony Farr  
Tioga Resources  
[afarr@tioga-resources.com](mailto:afarr@tioga-resources.com)

**Executive Director**

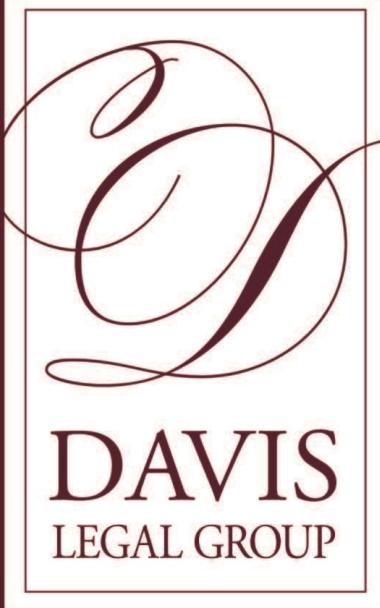
Tara White  
MLBC  
[twhite@mlbc-aapl.org](mailto:twhite@mlbc-aapl.org)

## 2015—2016 COMMITTEE CHAIRS

Awards	Arnold Schulberg	<a href="mailto:aschulberg@schulberglaw.com">aschulberg@schulberglaw.com</a>
Bylaws	Chris Elswick	<a href="mailto:chris.m.elswick@gmail.com">chris.m.elswick@gmail.com</a>
Certification	James E. Talkington, Jr., CPL/ESA	<a href="mailto:jeta@frontier.com">jeta@frontier.com</a>
Education	Mark Mudrick, RPL	<a href="mailto:mark.mudrick@percheronllc.com">mark.mudrick@percheronllc.com</a>
Ethics	Justin Nixon	<a href="mailto:jrnixon@eqt.com">jrnixon@eqt.com</a>
Fall Golf	Steve Carr, CPL	<a href="mailto:steve.carr@tsdudley.com">steve.carr@tsdudley.com</a>
Finance	Jeremy White, RPL	<a href="mailto:jwhite@eqt.com">jwhite@eqt.com</a>
Historian	David Aman	<a href="mailto:davidaman@consolenergy.com">davidaman@consolenergy.com</a>
Legislative	Steve Perdue	<a href="mailto:steve.perdue@steptoe-johnson.com">steve.perdue@steptoe-johnson.com</a>
Marketing	Robert Greiner, RPL	<a href="mailto:rgreiner@mwlandservices.com">rgreiner@mwlandservices.com</a>
Membership	Lori Naser	<a href="mailto:naser.lori@gmail.com">naser.lori@gmail.com</a>
Directory	OPEN	
Plate Program	Ben King, RPL	<a href="mailto:benjaminking@suddenlink.net">benjaminking@suddenlink.net</a>
Photography	Mike Kalany, RPL	<a href="mailto:mkalany@eqt.com">mkalany@eqt.com</a>
Spring Golf	Jeffrey Junstrom	<a href="mailto:jjunstrom@tuckerlaw.com">jjunstrom@tuckerlaw.com</a>
Scholarship	Justin Nixon	<a href="mailto:jrnixon@eqt.com">jrnixon@eqt.com</a>
Sponsorships	Lhag Bowers	<a href="mailto:lhag.bowers@percheronllc.com">lhag.bowers@percheronllc.com</a>
Website /Job Bank	Jeremy D. Preston , RPL	<a href="mailto:jpreston@eqt.com">jpreston@eqt.com</a>

## MLBC SCHEDULE

<u>Date</u>	<u>Location</u>	<u>Speaker</u>	<u>Topic</u>
<i>April 22, 2016</i>	<i>Tropic Restaurant &amp; Bar Morgantown, WV —Social Event</i>	<i>Spring Social</i>	
<i>May 13, 2016</i>	<i>Oglebay Resort Wheeling, WV</i>	<i>Spring Charity Golf Event</i>	
<i>June 2, 2016</i>	<i>Lakeview Resort Morgantown, WV</i>	<i>Officer Induction &amp; Awards Ceremony</i>	
<i>July 14, 2016</i>	<i>Pete Dye Golf Club Bridgeport, WV</i>	<i>Past President Panel</i>	<i>Surviving as a Landman in a Down Turn Market</i>
<i>August 8, 2016</i>	<i>Valley Brook Country Club Canonsburg, PA</i>	<i>Fall Charity Golf Event</i>	



The Experience  
of a *corporate firm*  
with the care of a  
PERSONAL FRIEND.

**At the Davis Legal Group**, our attorneys pride themselves on providing accurate and complete title opinions - and all the work leading up to them. **And we can do it all:**

Original title opinions

Supplemental title opinions

Division order title opinions

Preparation of curative title documents

Oil & gas title litigation







## *Second decade filled with action*

*Pathway to Professionalism  
Chapter 4 - The AAPL Story.*

*Originally Published in the  
American Association of Pe-  
troleum Landman in June  
1985.*

*-Remember When Series-*

President Johnson was well into creating his *Great Society* by the time 1965 peeped open its eyes. The nation was still flinching over the assassination of President John F. Kennedy. Had it been two years? It seemed like yesterday.

This year would be one to remember. Gas was found in the North Sea. The Permian Basin decision was finally handed down after some five years of hearings. This ruling, which provided for an involved multiple-pricing system for old and new gas, did very little to cause accelerated domestic exploration.

James William Beavers, Jr. of Dallas was elected AAPL president to begin this second decade of the organization. His would be a tough term.

"One of our goals was to increase our membership from just under 2,000 to 2,500, which we did. We also raised admissions to annual meetings from \$15 to \$20," said Beavers.

He said the most important thing that happened during his tenure was convincing Robert Mosbacher to agree to serve as vice president of the association. It was quite an accomplishment because Mosbacher would become the first independent to serve as president of AAPL.

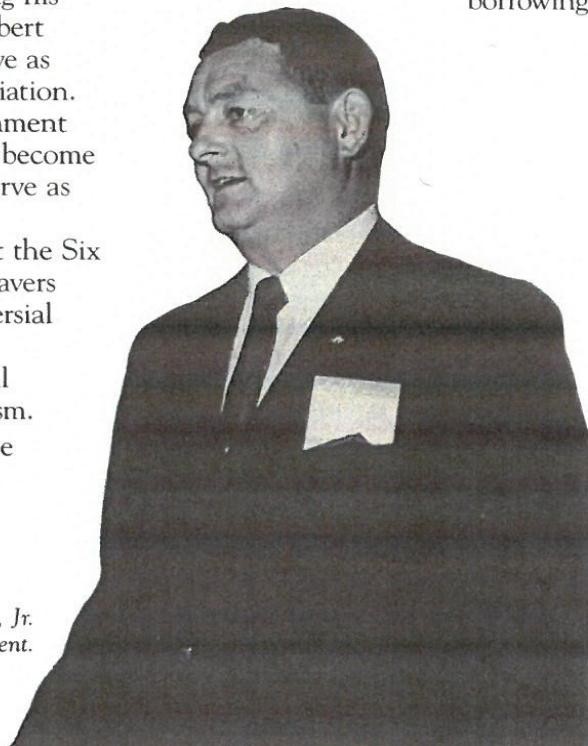
Criticism surfaced about the Six Flags landman exhibit. Beavers called it the most controversial issue during his year. In retrospect, Claud Fleet still wonders about that criticism.

"It was a logical interface to permit the public to have an insight into some of the basic

things that happened in the oil and gas industry. We took it from the very beginning of the leasing of the land, and carried it right up to the drilling of the well. We did it without being too pedantic or too pontifical," said Fleet. "The public was receiving some indoctrination as to what being a landman was all about. We were relating a story to the people that they never would have read in a brochure. It was propaganda in the best sense of the word."

So went 1965. Just as the year ended, the North Dakota Association of Petroleum Landmen was organized. In June, the 12th annual meeting of AAPL was held in Corpus Christi, and George Bush, later to become the nation's vice president, was speaker. Robert G. Furse of Houston was elected president.

Continuing from previous years, Furse's term was fraught with money problems. The financial situation at AAPL showed expenses in excess of income, but the board authorized borrowing



James W. Beavers, Jr.  
1965-1966 president.



Malouf Abraham, landman and Texas state senator, accepts AAPL outstanding citizen award.



At the 12th annual meeting in Corpus Christi (1967) Robert G. Furse, at right, is elected president and George Bush, far right, is a featured industry/political speaker.

\$15,000. Membership was 3,558. The Frank Kelley Award was initiated. A speakers' bureau was discussed and later established. In the PLM programs, 40 were enrolled at Texas and 38 at Oklahoma. This year saw AAPL accepted as a sponsoring member of the Rocky Mountain Mineral Law Foundation with Ed Skeeters playing a prominent role.

At the end of the year, the board was forecasting a deficit of \$17,000, and pushing for an increase in dues, the first in 11 years.

Landmen were on the move, not only in the petroleum industry but in other areas. Many of them were launching successful careers in politics. In 1967, *The Landman* told about Malouf Abraham serving as a Texas state senator and Denton I. Howard as an Oklahoma state representative.

Mosbacher began his term after being elected president during the annual meeting in June 1967 at New Orleans. His installation drew thunderous applause which caused many people to smile in reflection over the once staunch opposition to admitting independents to active membership.

"I always find it amusing to look back on this situation and think how opposed some people were to the independents coming in," recalled George Brown, first

AAPL president. "Now, of course, we all recognize the fact that the independent landman is a vital part of our association."

The song being sung by the AAPL was growing in volume. More and more people were seeing the importance of joining and supporting the organization. Fleet remembers this growing strength.

"The AAPL was taking the little guys and exposing them to all parts of the industry. It was acquainting them with men that it might have taken ages for them to meet and become friends with," he said. "One stiff-necked executive of one of the big oil companies, who was really stingy with a dollar, told me that as a result of one deal one of his landmen had made, which came as a result of AAPL acquaintances, the company had made more money than it could ever conceive of spending on his landmen's involvement with AAPL."

During Mosbacher's term, AAPL saw the first two petroleum land management degrees awarded to Canadians at the University of Oklahoma. The PLM program, which had also been initiated at the University of Texas, was pumping strongly.

The late Rex E. Tarr of Oklahoma City was elected president in June 1968. Shortly after he took office, the voluntary affiliation amendment to AAPL's Constitution and Bylaws passed on a vote of 1,423 to 73. This meant that local associations could now affiliate with AAPL as a chapter.

The year 1968 would also be remembered for the Prudhoe Bay discovery in Alaska. Production in

that vast field would start some nine years later.

The 1960s had brought changes to the industry. The days of the vast leaseholds of the majors with their dry hole budgets, acreage contributions, and farmouts of entire prospects from which independents could put together drilling deals had all but disappeared in the 1960s. In search of risk capital, the independent increasingly began turning to the investing public through major brokerage and accounting firms.

The AAPL was exploring changes also. In October 1968, a ballot was mailed to members requesting approval of a dues increase from \$15 to \$20; a policy for dues increase or decrease based on the cost of living index; and creation of a life membership status.

Governor Dewey Bartlett of Oklahoma had designated September 16, 1968 as *Oklahoma Petroleum Landmen Day*, a date that marked the 10th anniversary of the PLM curriculum at the University of Oklahoma. The act was also in keeping with AAPL's push for public recognition of the profession of

petroleum land management. Tying in with this was the T.I.P. program launched several years earlier by the national office.

"Actually, John Connally and I came up with that idea in order to provide facts about the industry and stir up interest in Congress and in the news media," said Fleet. "What we did was send out a big, red postcard which was a facsimile of a scrap of paper. It had a drawing of a paper clip on it and a short tidbit about the industry. We would say something like, 'Distilled water sells for 80 cents a quart. Petroleum sells for only 10 cents.' It was the old drip, drip, drip philosophy. You keep dripping your facts until you make your point."

A point was made by the AAPL's Study Committee in January 1969. It recommended to the Board of Directors that membership be permitted to landmen involved in the exploitation of minerals. The committee said that changes should be made in the *Constitution and Bylaws* and a *Code of Ethics* should be written.

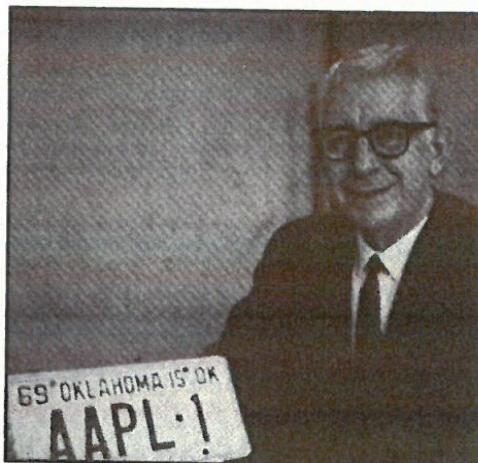
Thomas S. Yancey of Denver was elected president in June 1969. He remembers it as being

another hectic year for AAPL.

"We almost went bankrupt in the middle of my term and I had to lobby the membership for a dues increase," he recalled. "It seems that we only had about 3,500 members at that time, and the vote just barely went with me. If it hadn't been for my vote counter, Jim Beavers, it would have failed."

It was also during Yancey's term that Claud Fleet resigned as executive vice president. Yancey took off on a cross-country tour, interviewing potential candidates for the job. While giving a speech at Norman, Oklahoma, he interviewed Wesley H. Mowery. He was impressed with Mowery who subsequently was hired by the board.

"Probably the most important accomplishment we made during my presidency was finally getting



Oklahoma City landmen honored AAPL President Rex Tarr in 1969 by securing for him a license plate befitting his title — "AAPL 1."



Planners for the 12th annual meeting are, l-r, R. T. (Red) Houser, publicity; B. J. Kilpatrick, entertainment; J. H. (Herb) Moore, golf; Jack West, general chairman; Al Harris, printing; R. T. (Tommy) Higgins, golf; and Shelby Alexander, housing.

Leslie Moses' AAPL Guide for Landmen published. It had been lurking on the back burner for some time when I appointed Tom Roberts of Getty Oil Company to chair a committee to get it going. Tom did an outstanding job, along with Jim Bexley, Haden Upchurch, Tom Clifton, and Jack West. This was an outstanding contribution by Leslie, and he dedicated all the royalties from the book, subtitled *From Lease to Release*, to AAPL," said Yancey.

In November 1969, the largest single acreage commitment in history was reported to have been made in the United States. Pan American Petroleum Corporation and Union Pacific Railroad made the agreement. Union Pacific owned in fee about 7.2 million acres in northeast Utah, Southern Wyoming, eastern Colorado and western Nebraska. Prior to 1969, Union Pacific engaged in limited exploration of the property

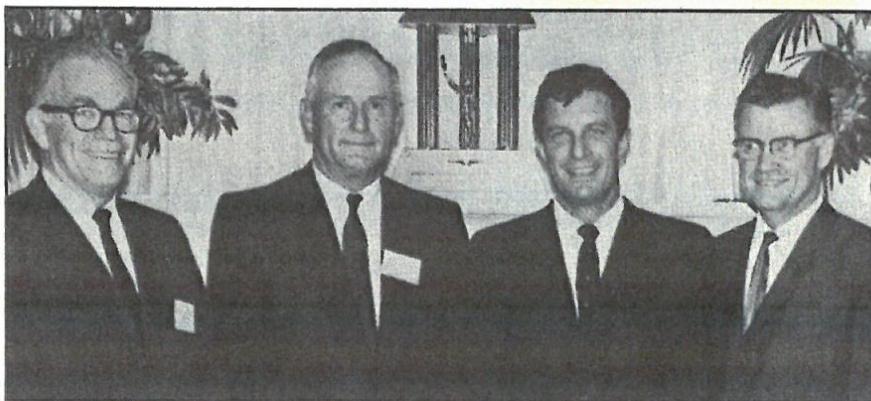
primarily through joint explorations and acreage and cash contribution.

AAPL would be making its own kind of contributions during the next two years. The late J. Herb Hughes of Canada who would serve as president in 1970-1971, was instrumental in starting a summer placement program for students.

The late E. N. Litman of Wyoming would serve in 1971-1972. He was concerned about perpetuating a supply of capable individuals to fulfill the growing need for landmen. A survey was conducted to determine the age distribution



AAPL Executive Vice President Wesley H. Mowery, 1969-1978.



The 1967 AAPL annual Tobin team golf trophy is displayed by the winning Lafayette APL group when President Robert A. Mosbacher, second from right, visited LAPL that year. Pictured with him are Lafayette landmen (l-r) Grand Molett, Jack Gibson, and Maynard Rafferty.

Michigan APL President Harry J. Gaspeny, left, and Michigan Oil and Gas Association President Rolly Denison, right, welcome AAPL President Tom Yancey in 1970. Yancey was guest speaker for a joint meeting of the two groups.

of the membership. The 1972 survey revealed:

- (1) The average age of AAPL members was 48.3.
- (2) 85 percent of the AAPL membership was over 40.
- (3) 29.5 percent of the U.S. civilian male labor force was over 40.
- (4) 2 percent of AAPL membership was 30 or under.
- (5) There were more AAPL members over 70 than under 30.

Mowery recalls 1970 to 1973 as a time for speeches. The energy crisis had firmly entrenched itself throughout the nation, and everyone was irritated. Frankly, many of the people were blaming the oil industry.

"It was a time to do a selling job for the petroleum industry," said Mowery. He and other AAPL members plunged into the enlightenment effort.

"A film was used to portray the industry as it was," said Mowery, shaking his well-tanned face framed by closely cropped graying hair. "There was a lack of understanding."

He said many people had preconceived ideas about the profession.

"They thought that everyone from Texas had alligator boots,



was a rich braggart with a bunch of oil wells, and," he said interrupting himself with laughter, "they all drove Cadillacs.

Obviously we had to change people's minds, especially at the higher levels."

He became discouraged.

"I kept thinking we were going to be doing some good and things would get better. Looking back now, I wonder how we had the heart to go on. We were on the road all of the time. Many times I would land at the airport, go straight to my farm, and try to get back to reality," said Mowery. "There was a total animosity towards oilmen, particularly Texas oil people. They kept thinking that the wildcatters would go out and make a million dollars overnight. It seemed that everybody knew more about a Texas oilman than a Louisiana oilman. It was the Texas oilman getting all of the bad attention. It wasn't even a legitimate business as far as the American people were concerned."

Though times were tough, AAPL continued its struggle. Mowery told about attending a meeting in East Texas. He was trying to show the group of local landmen how much their image

had been improved. He asked the question, "Well, how long has it been since you have heard the term leasehound?"

There was silence. Then Mowery said somebody in the back shouted, "Well, I haven't heard it since this morning."

Mowery laughed. "Obviously, professionalism either had not come to his part of the country or it had not been there very long."

Professionalism and attracting more landmen as members of AAPL were two things that C. J. Caskey of Fort Worth pushed during his presidency (1972 - 1973). When he assumed the top position, membership had not increased significantly for several years. Immediately he tackled the situation.

"In order for AAPL to have more impact on proposed legislation at all levels of government, the association needed to represent more of the voting public. For that reason, we worked hard at gaining new AAPL members, and during my visits to all the local associations I emphasized membership in

AAPL as well as what AAPL could do for both the local association and the individual landman," Caskey recalled. "The result was that AAPL membership exceeded 4,000 in 1972."

The AAPL board also discussed financing the production of a motion picture about the oil and gas industry. It would focus on the role of the landman, and would illustrate the oil and gas business' impact on the economy and the country's present standard of living. The idea was put on hold until the organization was more financially stable and better able to sponsor the project.

Caskey continued the practice of making speeches about the industry to all segments of the public. He saw to it that AAPL became active in this effort by creating a speakers bureau which covered a large part of the country and contacted people who were non-oil and gas types.

"As part of Mobil's speakers'



Leslie Moses, author of the AAPL Guide for Landmen — From Lease to Release and longtime contributor to AAPL's programs and publications.



AAPL officers for 1970-1971 are, l-r, Second Vice President Tom Roberts, First Vice President E. N. Litman, Third Vice President C. J. Caskey, President Herb Hughes, Treasurer Gene Golden, and Secretary Charles S. Simpson.



bureau, I gave 43 speeches in and around the Denver area on the oil and gas industry. I always felt that these talks helped AAPL because I emphasized the role of landmen in the industry, and the efforts we were making to become more professional as an organization in the work we performed," said Caskey.

Caskey also pushed to have board meetings at locations where members could not only conduct business, but could also have an entertaining and relaxing weekend. The reason for this action was to increase attendance at the board meetings which had become almost skeletal.

"I am pleased to see the board continue to hold its meetings at locations that will promote good attendance and some enjoyment for the directors and committee chairmen," said Caskey. Although this change was not significant compared to national

and world events, it was important to AAPL and to those of us who, at the time, were attempting to enlarge and strengthen the international association."

Caskey had made his mark on the AAPL as did late William C. Allbright of Dallas who was elected to follow him.

There was considerable discussion on increasing dues which was finally approved at \$30. During Allbright's term, a questionnaire to the membership tested the climate for changing the name of the association to include minerals and reflect its international scope. The results of the study indicated no change was necessary.

Again, the mood focused on the oil and gas industry was a mean one. Strong feelings existed that some kind of punitive tax would be legislated against the business. Public hostility was kindled by the long lines at gasoline stations and

the high prices.

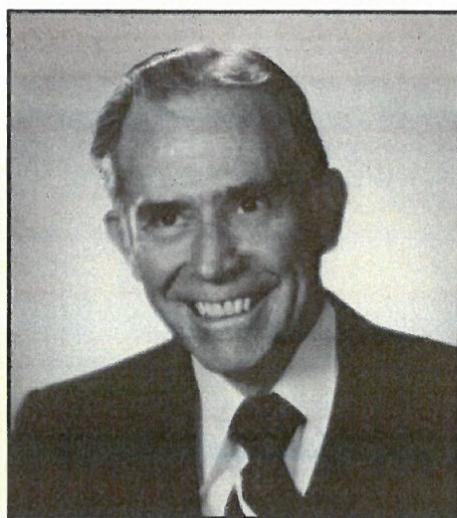
During 1974, project independence was announced. It was called the nation's first comprehensive program to assess energy supply and demand for both the present and future. It was aimed at constructing an energy base that could maintain economic growth and restore independence from foreign energy producers.

According to a news release put out by the Federal Energy Administration communications and public affairs division, the measure would work in two ways. It would increase the domestic energy supplies and reduce the energy demand. It urged the extensive use of the nation's coal reserves and the continued development of domestic oil and gas supplies.

That announcement came shortly before Allen Cook was elected AAPL president. He served in 1974-1975 and still has



E. N. Litman, AAPL president in 1971-1972, concerned the association with perpetuating a supply of capable individuals to fulfill the growing need for landmen.



William C. Allbright, AAPL president in 1973-1974, faced a term of public hostility as prices increased and long lines formed at gasoline stations.



1972-1973 AAPL President C. J. Caskey (third from left), speaker at the Alaska APL installation of officers meeting in Anchorage, confers with (l-r) Secretary Ed Gillett, Director Curt Krehbeil, President Bill Beasley, Vice President Tom Lewis, and Treasurer Bill Stewart.

vivid memories of his tenure.

"It's my opinion that in the early 1970s, our association and the membership in general were a complacent group that lacked professional identity. Very few in the industry, other than ourselves, considered the landman's job as a true profession," he said. "With this in mind, the main goals I chose for my term were to challenge the association to greater action, unity, and identity. I believe it was a turning point in our association with growth in the right direction."

The continuation of speeches was a necessity, said Cook. Because of the Middle East oil crisis and the escalation of oil prices, the industry was headed for an all time public opinion low. Of those speeches, Cook said, "Obviously we failed to convince many members (Congressional) or sway public opinion, but maybe things would have been worse without the effort."

The association remained very active in its speakers' program. There were several benefits, but perhaps foremost was the AAPL

membership's realization of their value as public speakers. It was an area where they could excel. "As I once said, I never met a bashful landman!" said Cook.

But there were other speeches being given about the oil and gas industry. One came in January 1975 when the speaker called for a more comprehensive energy tax program. He said the program should include:

- Excise taxes and import fees totaling \$2 per barrel on product imports and on all crude oil.
- Deregulation of new natural gas and enactment of a natural

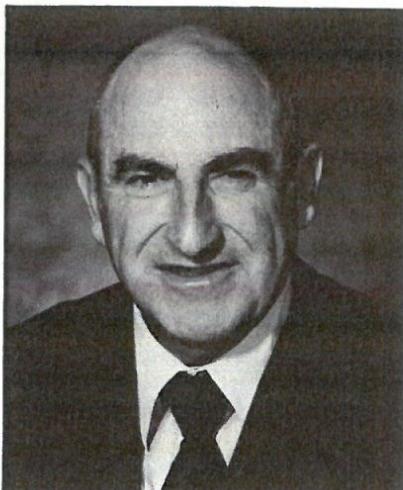
1974-1975 AAPL President Allen Cook

(third from left) visited his native city of Tulsa as principal speaker at the Tulsa APL meeting. From the local association are (l-r) Bill Fine, Gail R. Thomas, Jake Torbert, Philip W. Livingston, and Jay Williams.



Hosts for the 1970 annual meeting are officers and directors of the Los Angeles APL (l-r) Treasurer Jack R. Andrews, Vice President Robert S. Burke, Secretary Terry E. Rutledge, President B. J. Taylor, Directors B. N. Goolsby, Fleet White, and D. O. Churchill. The Bakersfield and San Francisco associations were additional hosts for the event with Burke as general chairman.

AAPL's 1969 President Tom Yancey bit the bullet for a much needed dues increase.



gas excise tax.

- Enactment of a windfall profits tax by April 1 to insure that oil producers do not profit unduly.

"The sooner Congress acts, the more effective the oil conservation program will be, and the quicker the federal revenues can be returned to our people," said the speaker. He was President Gerald Ford.



*Clustered at an AAPL Board of Directors meeting luncheon in Oklahoma City (1967) are, l-r, host Oklahoma City APL President John L. Gorman, Director Kenneth M. Jones, Past President James A. Walker, First Vice President Robert Mosbacher, Executive Vice President Claud Fleet, and President Robert G. Furse.*

Ironically, the mood was not one of total doom as AAPL ended its second decade. Cook remembered some of those more optimistic things.

"We increased our standing committees in 1974 with the Industry Affairs and Mining and Geothermal Committees. At the time I felt strongly that there was a need to coordinate with other industry associations, in par-

ticular, on our government public relations efforts," he said.

Maybe Cook said it best in January 1975 when he wrote a message to the members. In that message he talked about the anti-industry sentiment coupled with shortages of materials and equipment, high costs, and punitive tax measures. In spite of all of those, he said AAPL would succeed.

"We have the organization, the talent, and the ability to get the job done. We will not fail our industry and profession, our respective countries, and the future generations to come," he urged. "Let's stand up, AAPL, and be counted, and prove to our adversaries and our friends that we are up to the challenge and we will meet our goals."

It would be rough, but AAPL would do it as the next ten years would show.



*The planning committee for AAPL's 15th annual meeting in Banff (1969) faced the challenge to inform and entertain landmen from throughout the U.S. and Canada. Committeemen are, l-r, Bill Cunningham, Steve Tippett, Jim Shaver, Doug Clark, and Herb Hughes.*

# MEMBERSHIP INFORMATION

## Michael Late Benedum



**"The Great Wildcatter"**

The MLBC membership application is located on the website at [www.mlbc-aapl.org](http://www.mlbc-aapl.org). Please check your information on the website prior to submitting your renewal. The MLBC website has an updated version of the membership listing. Please use this resource if you can not find yours or others information in the directory. Please report any errors or omissions to Tara White at [twhite@mlbc-aapl.org](mailto:twhite@mlbc-aapl.org).

Notice of the application(s) of all potential Chapter members shall be published in the next regularly scheduled monthly Chapter "Takeoff" newsletter. Active members shall have the opportunity during for a period of thirty (30) days following the first publication to object to the potential members' application. Such objections to membership approval may be submitted to any member of the Executive Committee and

shall be in writing. The Executive Committee shall take any such objection under counsel in the next regularly scheduled monthly Executive Committee meeting. A decision to accept or reject the membership application shall be determined by a majority vote at such meeting. The Executive Committee shall notify the applicant in writing of rejection.

Application for membership in the Chapter shall be subject to the approval by a majority vote of the Executive Committee at a regularly scheduled meeting, after the aforementioned thirty (30) day newsletter publication period, and shall require the signed approval by the acting President of the Executive Committee, as evidence of the Committee's approval. Names of any and all newly approved members shall be read at the following regularly scheduled general meeting of the Chapter.



## MLBC WEBSITE

If you experience any problems using the website or if you have any suggestions, please contact Jeremy Preston via e-mail at [JPreston@eqt.com](mailto:JPreston@eqt.com).



## JOB BANK

The direct link for MLBC Job Bank is [www.mlbcjobbank.com](http://www.mlbcjobbank.com). If you have any questions, please contact Jeremy Preston via e-mail at [JPreston@eqt.com](mailto:JPreston@eqt.com).



## PHOTO ALBUM

We would like to share our Photo Album with you to show you what MLBC has been doing throughout the year. The direct link for MLBC Photo Album is [www.mlbc-aapl.org/VPhoto.php](http://www.mlbc-aapl.org/VPhoto.php).