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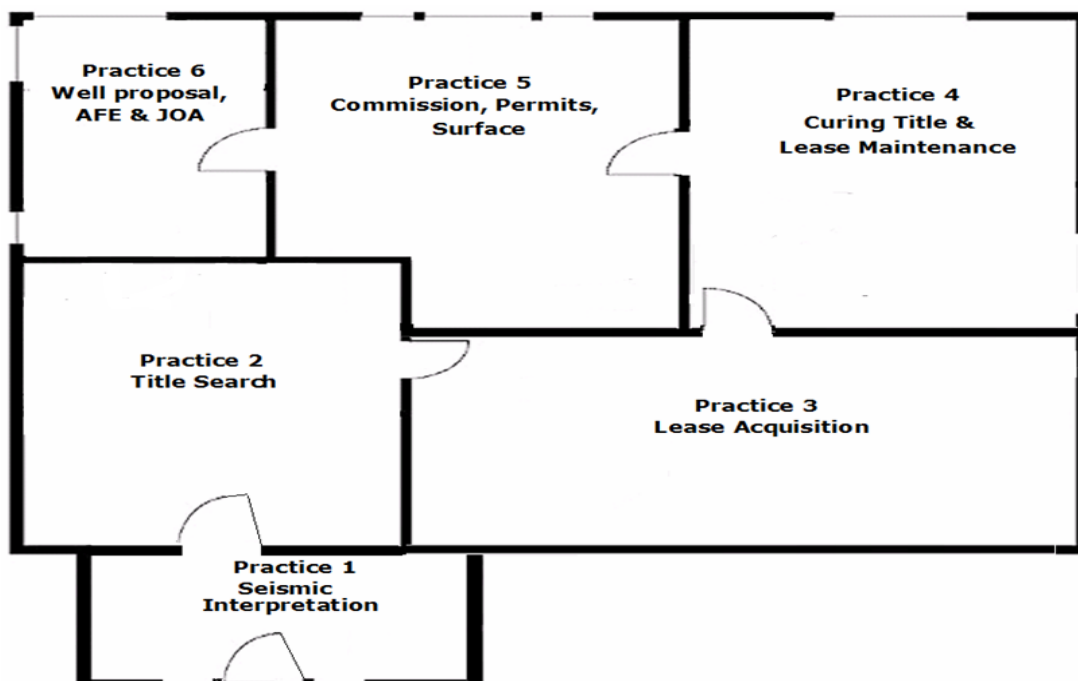
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Class Objective

The land management professional plays an essential role in the success of oil and gas development. The tasks he or she is called upon to accomplish are often varied but each is vital.

Picture all of the functions in *Land Management* as being a house. The house contains several rooms. In the analogy, each room represents a specific land practice.

The objective of this class is to take the land management professional on a journey through each of the rooms in the house. This trip will enable each participant to engage in the land practices conducted in each of the rooms and will provide an opportunity for hands-on experience through varied activities and projects.





Assume the date is January 12, 2011. Participants must now enter the fourth room of our land practices house. Above this door is a sign that reads, "Curing Land Titles and Lease Maintenance." Many months may pass from the time leases are secured and before any drilling takes place. This is a critical time for the land personnel in that they must assess what items they have in place and what additional items they need in order to drill any wells. Maintaining leases also becomes critical. If, during this time period, a lease obligation is not met, the lease is in danger of terminating.

Since the costs of drilling wells become very expensive, any liability issues associated with title must also be examined. The last thing a company would want is to drill a multi-million dollar well on a lease that was taken from the wrong party or with less than marketable title. During this phase of operations, land personnel secure title attorneys in order to render title opinions that will highlight any area of potential liability.

While in this land practice room, participants will be responsible for completing the following tasks:

- Prepare curative documents in order to cure several title issues, including:
 - Defective Deeds
 - Ambiguous Interests
 - Lease Maintenance
 - Name Discrepancy
 - Term Mineral Deed
 - Unleased Oil and Gas interests
- Maintain Lease Obligations on any current oil and gas leases

Curing Land Titles

Prior to drilling a well, an oil company will conduct another title examination on tracts of land where wells will be drilled and those lands pooled together to form a drilling block. This information is compiled into what is more properly called a Drilling Opinion or a Division Order Title Opinion. These title opinions establish several important items including who owns what part of all production and who is responsible to pay drilling and operational costs. The purpose of a title opinion is primarily designed to advise the oil company of title defects and irregularities that:

1. Might impair the marketability of title;
2. Expose the client to litigation; and
3. Suggest how those defects and irregularities might be cured.

Each of these items will show up as "Requirements" that must be addressed by the land professional. Those who are given the task of examining and curing title issues must now focus on the problems that might expose the client to real risks and then set about finding the most effective way to solve those problems.

Marketable Title

The law establishes an objective standard called "marketable title." "Marketable title" is defined as ownership that is "free from apparent defects, grave doubts and litigious uncertainty, and consists of both legal and equitable title fairly deducible of record." - 2008 Oklahoma Title Examination Standards Handbook: Marketable title does not require that title be absolutely free of every technical or possible defect but be reasonably so.

Generally, title will not be marketable if

1. A reasonable chance exists that a third party would challenge the validity of title against a record owner;
2. Parol evidence (evidence outside the title records itself) is necessary to remove doubt as to the validity of the owner's title;
3. The records show outstanding interests claimed by third parties that could reasonably subject the property owner to litigation;
4. Title is encumbered by prior oil and gas leases, mortgages, unpaid taxes, or judgments.

Classification of Title Requirements

A title opinion focuses on the title defects and specifically on the requirements described to correct such defects in the most effective and appropriate manner. Most requirements fall into the following general categories:

1. **Critical Requirements** - Those requirements that must be resolved to the satisfaction of the examining attorney or the consequences will be severe in terms of either miscalculated ownership interests or the addition or deletion of certain parties to the ownership tabulation.
2. **Necessary and Proper Requirements** - Those requirements that should be resolved prior to the conduct of the operation and can be done within practical parameters of time and expense.
3. **Temporarily Waivable Requirements** – Those requirements that can be temporarily waived pending the outcome of the proposed operation as they are relatively low risk and will only be resolved if the drilling operation is successful.
4. **Waivable Requirements** – Those requirements that are of minor risk and are waivable meaning that no action will be taken at this time nor is it anticipated that any action will be taken in the future regardless of the outcome of the proposed operation.

Crimson Ranch Prospect Title Issues

Seven title issues exist in the Crimson Ranch Prospect and must be cured prior to drilling any wells. Each of these issues is described in the following pages along with a stated "Requirement" for curing the issue. Assume that a title attorney has checked all records and set out each of the title requirements. You have been given the responsibility of curing each of the issues.

The land professional has a variety of curative items at their disposal for the express purpose of curing title issues. You have been given the following items:

- a. An Affidavit of Identity
- b. A Ratification and Rental Division Order
- c. A Ratification of Oil and Gas Lease
- d. A Reviver of Oil and Gas Lease
- e. An Affidavit of Nonproduction
- f. A Stipulation of Interest and Cross Conveyance
- g. An Oil and Gas Lease
- h. A Blank Check

Requirement 1:

Often, parties are involved in multiple transactions with the same tract of land. These transactions can involve conveyances, leases and assignments and can create ambiguous, erroneous or unclear ownership. At times, incorrect dates, names or interests can impugn the marketability of title. One way to cure these issues is through a Correction Deed. In order to accomplish the task of correcting the problem, the correction deed must clearly identify what deed or deeds it is correcting and replacing. With that being said, the correction deed can then replace and correct any item(s) found on the erroneous deed. It can correct names, interests, dates, legal descriptions or terms. The land professional must examine the correcting language carefully. If the language limits what the deed is correcting and then replaces or corrects other items in the deed, a new "Correction of the Correction Deed" may be in order.

Requirement #1 – Assume you have received the following two deeds. A Warranty Deed from Gary Lockwood to Kelly Benton, dated September 22, 2010 conveyed all of grantor's interest in and to the Section 10-15 lands in T3N, R5W, Eddy County, New Mexico. Said conveyance is effective as of September 1, 2010.

WARRANTY DEED

Gary Lockwood, hereinafter called "**Grantor**" for and in consideration of the sum of Ten and No/100 (\$10.00) cash in hand paid and other consideration, has **Granted, Sold, Transferred, Assigned and conveyed** unto ***Kelly Benton***, herein called "**Grantee**", all of Grantor's interest in and to the following described lands located in the County of Eddy, State of New Mexico:

T3N, R5W, Section 10-15

WITNESS our hand this 22 day of September 2010, but effective as of September 1, 2010.

Recorded 09/27/10

Secondly, a Mineral Deed from Kelly Benton to Gas Marketing Inc., dated August 16, 2010 granted an undivided 96% of grantor's interest in and to the oil and gas minerals in the Section 10-15 lands in T3N, R5W, Eddy County, New Mexico. Said conveyance is effective as of August 1, 2010 and recorded October 31, 2010.

MINERAL DEED

Kelly Benton, hereinafter called "Grantor" for and in consideration of the sum of Ten and No/100 (\$10.00) cash in hand paid and other consideration, has Granted, Sold, Transferred, Assigned and conveyed unto *Gas Marketing Inc.*, herein called "Grantee", an undivided 96% of Grantor's interest in and to the oil, gas and other minerals in the following described lands located in the County of Eddy, State of New Mexico:

T3N, R5W, Section 10-15

WITNESS our hand this 16 day of August 2010, but effective as of August 1, 2010

Recorded 10/31/10

The effective date of the second deed pre dates the effective date of the first deed, thus making the second deed defective in nature. As a result, the title attorney who examined the records presented the following title requirement:

Requirement: A Correction Mineral Deed should be secured from Kelly Benton correcting and replacing that certain Mineral Deed dated August 16, 2010, from Kelly Benton to Gas Marketing Inc., recorded October 30, 2010 as to the effective date.

CORRECTION MINERAL DEED

The Correction Mineral Deed is in correction and replaces that certain Mineral Deed dated August 16, 2010 from Kelly Benton to Gas Marketing, Inc., recorded 10/30/10 as to the effective date.

Kelly Benton, hereinafter called "Grantor" for and in consideration of the sum of Ten and No/100 (\$10.00) cash in hand paid and other consideration, has Granted, Sold, Transferred, Assigned and conveyed unto *Gas Marketing Inc.*, herein called "Grantee", an undivided 12.5% of Grantor's interest in and to the oil, gas and other minerals in the following described lands located in the County of Eddy, State of New Mexico:

T3N, R5W, Section 10-15

WITNESS our hand this 4 day of December 2010, but effective as of September 2, 2010

Recorded 12/10/10

You secured a third deed (a Correction Mineral Deed) from Kelly Benton. Examine the third deed and determine if title is now clear. If not, what curative steps should now be taken?

Requirement 2:

Often, when multiple transactions occur with the same tract of land, the transactions can create severe ambiguities or unclear ownership. When title ownership looks more like “scrambled eggs” than “clear ownership” a Correction Deed may not be able to unscramble the mess. One way to cure this type of issue is through a Stipulation and Cross Conveyance. The parties involved will be asked to clearly establish the ownership rights at a particular point in time and then execute the curative document that includes proper words of conveyance and cross-assignment.

Requirement #2

By Mineral Deed, dated May 13, 2010, Book 82, Pg 23, recorded June 1, 2010 Eddy County, New Mexico, Dorothy Osmond conveyed 240.00 net mineral acres to Matthews Oil Company in and to the Sections 10-15 lands in T3N, R5W, Eddy County, New Mexico.

By Mineral Deed, dated May 22, 2010, Bk 86, Pg 333, recorded June 2, 2010 Eddy County, New Mexico, Matthews Oil Company conveyed 98.73047 net mineral acres to Nolan Production.

By Mineral Deed, dated May 23, 2010, Bk 976, Pg 267, recorded June 3, 2010 Eddy County, New Mexico, Matthews Oil Company conveyed 33.1245 net mineral acres to Curtis Matthews.

The following letter request was submitted from Matthews Oil Company:

Letter Request

July 10, 2010,

Matthews Oil Company requests that record title to the undivided 240 acre lands conveyed by Mineral Deed, dated May 13, 2010, recorded in Book 82, Page 23, Eddy County, New Mexico be altered.

Matthews Oil Company requests changes in the interest of Nolan Production from 98.73047 acres to 53.99064 acres, changes in the interest of Matthews Oil Company from 108.14503 acres to 107.97720 acres, changes in the interest of Curtis Matthews from 33.1245 acres to 65.57280 acres. The remaining interest in the undivided 240 acres should be held by Catherine Matthews.

Curtis Matthews

President Matthews Oil Company

Requirement: Prepare a curative instrument whereby Matthews Oil Company, Nolan Production, Curtis Matthews' and Catherine Matthews would cross convey to each other interests that would vest the ownership as shown below:

Matthews Oil Company	107.9772
Nolan Production	53.99064
Curtis Matthews	65.57280
Catherine Matthews	12.45936

Requirement 3:

Certain types of curative issues can be taken care of with either a Ratification or a Ratification and Rental Division Order. The signature of a third party to a ratification indicates their complete agreement to the terms of the item, but, more importantly, it ties the third party to the item from its effective date. Delaware was the first state to ratify the Constitution of the United States. Their ratification of the Constitution indicated their complete agreement to the document (as if they had been there when it was first drafted). When a third party ratifies an oil and gas lease they are accepting the terms and conditions of the lease and are tying those conditions to themselves.

At times, not only does a third party need to be tied to an existing lease but the appropriate way to pay a delay rental payment or royalty payment must also be established. A Ratification and Rental Division Order will accomplish both of these tasks.

Requirement #3

1. Assume that Provision Petroleum acquired a 3-year delay rental lease from Brian Daley, a single man, covering an undivided 12.5% interest in each of the 6 sections located in the Crimson Ranch Prospect (3,840 acres) T3N, R5W, Sec. 10-15. The lease was dated July 7, 2009.
2. A rental payment of \$1 per net acre, or \$480 (3,840 gross acres X 12.5%), is due on or before July 1, 2010.
3. On January 31, 2010, your company received a recorded Quitclaim deed from Brian Daley whereby he, as grantor, conveyed "**a 10% interest**" to Elizabeth Wilson, grantee in the captioned lands.
4. The conveying language is ambiguous in nature. It does not clarify if Brian Daley is conveying 10% of his undivided 12.5% interest in the lands or if Brian Daley is conveying 10% of the entire tract of land to Elizabeth Wilson.
5. If Brian Daley conveyed 10% of his 12.5%, he conveyed $3,840 \times .125 \times .10 = 48$ net acres. He would be keeping $3,840 \times .125 \times .90 = 432$ net acres. Under this scenario, rental payments should be made as follows:

\$48 to Elizabeth Wilson
\$432 to Brian Daley

6. On the other hand, if Brian Daley is conveying 10% of the entire tract of land, he conveyed $3,840 \times .10 = 384$ net acres to Elizabeth Wilson. He kept $3,840 \times .025 = 96$ net acres. Under this scenario, rental payments should be made as follows:

\$384 to Elizabeth Wilson
\$96 to Brian Daley

Requirement: If any portion of the delay rental payment is underpaid, that portion of the lease will be lost through the termination language in the lease. Formulate a plan, using the correct curative item in order to correct the problem.

Requirement 4:

Many types of affidavits are used to cure title issues. An affidavit is a sworn, written statement made under oath by the person signing the statement. The affidavit simply lists the witness' name, address, connection to the matter at hand, and their recital of the facts pertaining to the particular matter at hand.

An affidavit generally states only facts. It rarely touches on opinion unless a qualified professional in the area of their expertise gives the affidavit.

The identity of the person making the statement and the contents of the statement making up the affidavit are usually verified by a notary public, who will place their notary seal on the written statement.

Because an affidavit is a verified statement made under oath, it is essentially a promise that the information is true and correct, and it is the equivalent of testimony before a court. It is best to obtain an affidavit from a disinterested third party whenever possible.

The exact and correct names of the parties entering contracts are vitally important. For oil and gas leases, some states, such as Louisiana, even require indication of the lessor's marital status.

Types of Curative Affidavits

Affidavits may be used for any of the following matters: age, sex, birth, death, relationship, family history, heirship, names and identity of parties, whether individual, corporate, partnership or trust; identity of officers of corporations; membership of partnerships, joint ventures and other unincorporated associations; identity of trustees of trusts, and their respective terms of service; history of the organization of corporations, partnerships, joint ventures and trusts; marital status; possession; residence; service in the Armed Forces; and conflicts and ambiguities in descriptions of land in recorded instruments.

Requirement #4

Assume that you acquired an oil and gas lease covering 480 net mineral acres in Sec. 13, T3N, R5W, Eddy County, New Mexico, from Marylou Hoyt, a single woman.

At the time of execution, Marylou Hoyt was married and her legal name was Marylou Enzo. According to the marriage certificate, Marylou's married name was Marylou C. Enzo. It has also been determined that Marylou had been estranged from her husband Antonio Enzo, her husband for several years.

In addition, the vesting conveyance into Marylou came from her mother, Martha Hoyt. In said conveyance, Martha Hoyt conveyed 480/640ths interest in all oil, gas and other minerals to Rocky Albina and Marylou Hoyt, Joint

Tenants with Right of Survivor (JTROS). It appears that Hoyt is the maiden name of Marylou.

At the time of this conveyance, Marylou was living in Idaho and considered married to her first husband, Rocky Albina through a common law marriage. Prior to Rocky Albina's death on March 15, 1978, Marylou changed her name to Marylou Albina.

Requirement: An Affidavit of Identity is required to satisfy that Marylou Hoyt, Marylou Albina and Marylou Enzo are one and the same individual.

Requirement 5:

As seen in our second chapter of this class, term mineral or royalty conveyances or reservations can pose a particular problem for the land professional. Generally, states have concluded that the holder of a term interest can sign an oil and gas lease, but that lease, or portions thereof, *will not continue* beyond the expiration date of the term mineral interest. This issue can create a challenge for oil and gas personnel. Unless the conveying document provides for the continuation of the lease past the expiration date, a lease will not transfer to the reversionary mineral owner and two leases should be taken, one from the holder of the term interest and the other from the holder of the reversionary interest.

Requirement #5

Through several conveyances, Benjamin Conant acquired an undivided 480 net mineral acres in Sec. 15, T3N, R5W, Eddy County, New Mexico.

On 4/13/02, Benjamin Conant granted a ten (10) year Term Mineral Deed covering 100% of grantor's interest in and to all oil, gas and other minerals in and to Sec. 15, T3N, R5W, Eddy County, New Mexico, to Otis Vargus.

On May 25, 2008, Sunrise Oil and Gas acquired an Oil and Gas Lease from Otis Vargus covering the undivided 480 net mineral acres in Sec. 15, T3N, R5W, Eddy County, New Mexico.

Since the conveying term mineral deed did not provide for the continuation of the lease past the expiration date of the reversionary period, the lease will not transfer to the reversionary mineral owner and two leases should have been taken, one from the holder of the term interest and the other from the holder of the reversionary interest.

Requirement: You should, at a minimum, have Benjamin Conant ratify the Otis Vargus lease. If he refuses to ratify the Vargus lease, you should negotiate a separate lease with Benjamin Conant effective at the date of the reversionary interest.

Requirement 6:

In most states, an unreleased oil and gas lease is a cloud on title and the refusal of a lessee to release such a lease can give rise to an action for slander of title. An oil and gas lease "for a term of five years and as long thereafter as oil or gas are produced," which is unreleased after the expiration of the five-year term, constitutes a cloud on the lessor's title to the land and prevents the record from showing a good and merchantable title thereto in the lessor. A certain type of affidavit may be used to clear this title issue.

Requirement #6

All of the mineral estate for Dorothy Osmond, a single woman dealing with her sole and separate property in and to T3N, R5W, 2nd PM, Sections 9, 10, 11, 12, 13, 14, 15, 24, Eddy County, New Mexico, are subject to an unreleased oil and gas lease dated February 14, 2002, and recorded April 15, 2002, in Book 99 and Page 188. This lease had a primary term of 7 years and the last working interest owner of record was Samoan Oil and Gas, Inc. No affidavit of production has been filed for this lease.

Requirement: You should obtain and record a release of the lease from Samoan Oil and Gas, Inc. If this can not be done, prepare curative whereby Dorothy Osmond, a single woman dealing with her sole and separate property, affirms that this lease has expired on its own terms. Any such curative should cover all lands included in this expired lease and should affirm that no production has been reported from this lease or from lands pooled with this lease. In the alternative, you should confirm through the New Mexico Oil Conservation Division that no production has been reported from this lease or lands pooled with this lease.

Requirement 7:

Can the Lease be revived once an error is made? In answering this question, much caution should be used. Courts have not allowed a great deal of latitude when errors have been made on the part of the lessee. Because the delay rental clause expresses a conditional element that must be fulfilled, if the condition is not met, the lease will terminate automatically.

If the lessor accepts a late payment or payment less than the full amount, courts have viewed this as "inconsistent" with having the lease terminate and, therefore, might allow the lease to continue. For example, for three years a company inadvertently underpaid the delay rentals to a lessor. The payment should have been \$80 for 80 net acres owned but the payment was sent in the amount of \$60. The lessor cashed each of the three checks. Ultimately, the lessor demanded the termination of the lease on the grounds that underpayment had been made. The North Dakota Supreme Court found that

the acceptance by the lessor of the partial payment "validated the lease as to the 60 acres...and invalidated the lease as to the 20 acres." *Borth v. Gulf Oil Exploration and Production Co.*, 313 N.W.2d 706 (N.D. 1981)

In cases where the lessor desires to have the lease revived, "the only cure for making a faulty delay rental payment is a ratification, more correctly called reviving the expired lease. *Reserve Petroleum Company v. Hodge*, 147 Tex. 115, 213 S.W.2d 456 (1948), 7 A.L.R. 2d 288."

A ratification or reviver is signed by the Lessor and may contain words such as, "A question may exist as to whether this lease is still valid and in force and effect according to the terms of the lease. If Lessee has failed to meet any lease obligation that could possibly affect the status of this lease, both Lessor and Lessee agree to enter into this reviver of said lease affirming the validity and continuing effectiveness of the Lease..."

A ratification or reviver would not be necessary if the lease had been modified to include language such as: "If Lessee shall make a bona fide attempt to pay or deposit rental to a Lessor entitled thereto according to Lessee's records or to a Lessor who, prior to such attempted payment or deposit, has given Lessee notice, in accordance with subsequent provisions of this lease, of his right to receive rental, and if such payment or deposit shall be ineffective or erroneous in any regard, Lessee shall be obligated to pay to such Lessor the rental properly payable for the rental period involved, and this lease shall not terminate but shall be maintained in the same manner as if such erroneous or ineffective rental payment or deposit had been properly made, provided that the erroneous or ineffective rental payment or deposit be corrected within thirty (30) days after receipt by Lessee of written notice from such Lessor ..."

Requirement #7:

Assume you have acquired a very important lease dated April 10, 2010, covering Sec 14, T3N, R5W, Eddy County, New Mexico, recorded in Book 175, Page 333. A \$640 rental obligation was due April 10, 2011. On February 23, 2011, your lease administrator mailed a \$640 rental payment to the 1st National Bank of Oklahoma f/a/o Jackson Wilson. On April 11, 2011, your lease administrator realized that the payee was the 1st National Bank of Tulsa, Oklahoma, f/a/o Jackson Wilson.

The check has not been returned. After doing due diligence, the lease administrator realized that the banks were two different banks. The lease administrator contacted the 1st National Bank of Oklahoma. They confirmed that Jackson Wilson has never had any type of account with them. They do not know what happened to the check.

Requirement: Determine a proper course of action in an attempt to solve this issue.

Curative Documents that may be used in order to cure title or accomplish lease maintenance.

AFFIDAVIT OF IDENTITY

STATE OF _____
COUNTY OF _____

_____ of lawful age,
being first duly sworn, deposes and says, that he/she was
well acquainted with _____ and
with _____ and with _____
as mentioned in the chain of title to the following described
land:

of Section _____ Township _____, Range,
County of _____ and State of _____, and
affiant positively knows that said _____
and _____ and _____
are one and the same person, notwithstanding the
discrepancy in the names.

Further affiant saith not.

RATIFICATION AND RENTAL DIVISION ORDER

KNOW ALL MEN BY THESE PRESENTS:

That, **WHEREAS**, that certain oil and gas lease, dated _____ from _____, as Lessors, to _____, as Lessee, recorded in Book _____, Page _____, of _____ County, State of _____, is owned by _____ in so far as it covers the following described land to wit:

NOW, THEREFORE, in consideration of the sum of One Dollar (\$1.00) and other good and valuable considerations, we _____ and each of us, do hereby ratify, approve, confirm, and adopt the above described oil and gas lease in so far as it covers the above described land, and do hereby lease, demise and let said land unto _____ subject to and under all of the terms and provisions of said lease, and as to said land, do hereby agree and declare that said lease is now in full force and effect: that payment has been duly made of the entire bonus consideration and all of the delay rentals necessary to extend said lease to the next rental paying date: and each of the undersigned agrees that any delay rentals which may be paid under the terms of said lease with respect to the above described land may be divided as follows:

CREDIT TO	ADDRESS	AMOUNT

RATIFICATION OF OIL AND GAS LEASE

KNOW ALL MEN BY THESE PRESENTS.

That, the undersigned do hereby ratify, approve and confirm that certain oil and gas lease dated, _____, executed by _____ as Lessor, to _____ as Lessee covering certain lands situated in _____ County, State of _____, recorded in Book _____, Page _____ in so far as it covers the following described land to wit:

WHEREAS, it is the desire of the undersigned, to adopt, ratify, and confirm said lease, and to grant, lease and let said lands in accordance with the terms and provision hereof.

NOW THEREFORE, in consideration of the premises, and the sum of \$1.00 and other good and valuable consideration, to the undersigned, I or we, the undersigned, jointly and severally, do hereby adopt, ratify and confirm said lease, and all of its terms and provisions, and do hereby grant, lease and let, to said _____, any and all interests which I, we the undersigned, now have, or may hereafter acquire, either by conveyance, devise, inheritance, or operation of law, and whether vested, expectant, contingent or future in and to said lands, in accordance with the each and all of the terms and provisions of said lease, and as fully and completely, as if the undersigned, had originally executed, acknowledged and delivered said lease, as one of the lessors herein, either on the date thereof, or on the date hereof, and the undersigned declare each for themselves, that said lease and all of its terms and provisions are binding on the undersigned and is a valid and subsisting oil, gas and mineral lease.

The undersigned hereby fully recognizes said oil and gas lease as being in full force and effect as though the undersigned had personally signed, sealed and acknowledged the same.

WITNESS OUR HANDS THIS _____ day of _____ 20 _____.

NOTARY _____

REVIVOR OF OIL AND GAS LEASE

State:

County:

Lessor Name and Address:

Lessee Name and Address:

Effective Date:

On _____, Lessor, named above, granted to Lessee, named above, an oil and gas lease ("the Lease") recorded in Volume _____, page _____ of the _____ Records of the county and state named above. The Lease covers the following lands:

A question may exist as to whether this lease is still valid and in force and effect according to the terms of the lease.

If Lessee has failed to meet any lease obligation that could possibly affect the status of this lease, both Lessor and Lessee agree to enter into this reviver of said lease affirming the validity and continuing effectiveness of the Lease.

Now, therefore, for adequate consideration, the receipt and sufficiency of which is acknowledged; Lessor and Lessee recognize, acknowledge, and affirm the validity and continuing effectiveness of the Lease, notwithstanding it may have previously terminated and Lessor hereby leases, lets, and demises the Lands to Lessee as of the Effective Date on the same terms and provisions as set forth and contained in the Lease and deems the Lease to be in full force and effect.

This Revivor is signed by Lessor and Lessee as of the date of acknowledgment of their signatures below, but is deemed effective for all purposes as of the Effective Date stated above.

Lessor

Lessee

AFFIDAVIT OF NONPRODUCTION

State of _____

KNOW ALL MEN BY THESE PRESENTS

County of _____

Before me, the undersigned authority on this day personally appeared _____ (“Affiant”), who first being by me duly sworn, on Affiant’s oath stated the following to be true and correct:

1. I, the Affiant, have personal knowledge of and am familiar with all of that land (the “Land”) described in that certain oil, gas and mineral lease by and between _____, Lessor and _____ Lessee, dated _____ and recorded in Book _____, Page _____, County of _____, State of _____ .
2. The lease term is as follows: (Quote primary term language)
3. The lease was not continued after the primary term by production, drilling or reworking operations or pooling with other land, and the Lease was not continued by payment of rentals or other amounts. There is no evidence of production of oil, gas or other minerals on the land pursuant to the Lease. The Lease has expired by its own terms.

Affiant

SWORN TO AND SUBSCRIBED before me by _____
on _____.

STIPULATION OF INTEREST AND CROSS CONVEYANCE

THIS INDENTURE, made this _____ of _____, 20__, by and between _____, _____, _____:

WHEREAS, the undersigned are the owners of undivided interests as set forth below in oil, gas and other minerals in and under the following described land situated in _____ County, _____, to wit:

WHEREAS,

WHEREAS,

WHEREAS,

WHEREAS, the undersigned parties are desirous of determining their respective interests in oil, gas and other minerals in and under said premises;

NOW, THEREFORE, for and in consideration of ten and no/100 Dollars and other valuable consideration, the undersigned parties and each of them do hereby agree, declare and stipulate that their interest in and to the oil, gas and other minerals in and under the said described land is as follows:

MINERAL OWNER

INTEREST

The undersigned parties, and each of them, do hereby GRANT, BARGAIN, SELL AND CONVEY, to the other party, whatever interest in oil, gas and other minerals is necessary to effectuate the purposes of this instrument.

**OIL, GAS AND MINERAL LEASE
(PAID UP)**

AGREEMENT, Made and entered into this _____ day of _____, _____, by and between _____, Party of the first part, hereinafter called Lessor (whether one or more), whose post office address is _____, and _____, Party of the second part, hereinafter called Lessee, whose post office address is _____

WITNESSETH, That the said lessor, for and in consideration of _____*****Ten and More***** DOLLARS, cash in hand paid, receipt of which is hereby acknowledged and of the covenants and agreements hereinafter contained on the part of lessee to be paid, kept and performed, has granted, demised, leased and let and by these presents does grant, demise, lease and let unto the said lessee, for the sole and only purpose of exploring by geophysical and other methods, mining and operating for oil (including but not limited to distillate and condensate), gas (including casinghead gas and helium and all other constituents), and for laying pipe lines, and building tanks, power stations and structures thereon, to produce, save and take care of said products, all that certain tract of land, together with any reversionary rights therein, situated in the County of _____, State of _____, described as follows, to-wit:

of Section _____, Township _____, Range _____, and containing _____ acres, more or less.

It is agreed that this lease shall remain in force for a term of five years from date (herein call primary term) and as long thereafter as oil or gas, or either of them, is produced from said land by the lessee.

In consideration of the premises the said lessee covenants and agrees:

1st. To deliver to the credit of lessor free of cost, in the pipe line to which it may connect its wells, the _____ part of all oil (including but not limited to condensate and distillate) produced and saved from the leased premises.

2nd. To pay lessor for gas of whatsoever nature or kind (with all of its constituents) produced and sold or used off the leased premises, or used in the manufacture of products therefrom, _____ of the net proceeds realized by Lessee for the gas sold, used off the premises, or in the manufacture of products therefrom, such net proceeds to be less a proportionate part of the production, severance and other excise taxes and the cost incurred by Lessee in delivering, processing, compressing or otherwise making such gas merchantable, said payments to be made monthly. During any period (whether before or after expiration of the primary term hereof) when gas is not being so sold or used and the well or wells are shut in and there is no current production of oil or operations on said leased premises sufficient to keep this lease in force, lessee shall pay or tender a royalty of One Dollar (\$1.00) per year per net royalty acre retained hereunder, such payment or tender to be made, on or before the anniversary date of this lease next ensuing after the expiration of ninety (90) days from the date such well is shut in and thereafter on the anniversary date of this lease during the period such well is shut in, to the royalty owners. When such payment or tender is made it will be considered that gas is being produced within the meaning of the entire lease.

If the lessee shall commence to drill a well or commence reworking operations on an existing well within the term of this lease or any extension thereof, or on acreage pooled therewith, the lessee shall have the right to drill such well to completion or complete reworking operations with reasonable diligence and dispatch, and if oil or gas, or either of them, be found in paying quantities, this lease shall continue and be in force with like effect as if such well had been completed within the term of years first mentioned.

Lessee is hereby granted the right at any time and from time to time to unitize the leased premises or any portion or portions thereof, as to all strata or any stratum or strata, with any other lands as to all strata or any stratum or strata, for the production primarily of oil or primarily of gas with or without distillate. However, no unit for the production primarily of oil shall embrace more than 80 acres, or for the production primarily of gas with or without distillate more than 320 acres; provided that if any governmental regulation shall prescribe a spacing pattern for the development of the field or allocate a producing allowable based on acreage per well, then any such unit may embrace as much additional acreage as may be so prescribed or as may be used in such allocation of allowable. Lessee shall file written unit designations in the county in which the leased premises are located. Operations upon and production from the unit shall be treated as if such operations were upon or such production were from the leased premises whether or not the well or wells are located thereon. The entire acreage within a unit shall be treated for all purposes as if it were covered by and included in this lease except that the royalty on production from the unit shall be as below provided, and except that in calculating the amount of any shut in gas royalties, only the part of the acreage originally leased and then actually embraced by this lease shall be counted. In respect to production from the unit, Lessee shall pay Lessor, in lieu of other royalties thereon, only such proportion of the royalties stipulated herein as the amount of his acreage placed in the unit, or his royalty interest therein on an acreage basis bears to the total acreage in the unit.

If said lessor owns a less interest in the above described land than the entire and undivided fee simple estate therein, then the royalties herein provided shall be paid to the lessor only in the proportion which his interest bears to the whole and undivided fee.

Lessee shall have the right to use, free of cost, gas, oil and water produced on said land for its operations thereon, except water from wells of lessor.

When requested by the lessor, lessee shall bury his pipe lines below plow depth.

No well shall be drilled nearer than 200 feet to the house or barn now on said premises, without the written consent of the lessor.

Lessee shall pay for all damages caused by its operations to growing crops on said land.

Lessee shall have the right at any time to remove all machinery and fixtures placed on said premises, including the right to draw and remove casing. During the term of this lease, Lessee shall have the exclusive right to conduct exploration by geophysical or other methods upon the lands covered hereby.

If the estate of either party hereto is assigned, and the privilege of assigning in whole or in part is expressly allowed, the covenants hereof shall extend to their heirs, executors, administrators, successors or assigns. However, no change or division in ownership of the land or royalties shall enlarge the obligations or diminish the rights of Lessee. No change in the ownership of the land or royalties shall be binding on the lessee until after the lessee has been furnished with a written transfer or assignment or a true copy thereof. In case lessee assigns this lease, in whole or in part, lessee shall be relieved of all obligations with respect to the assigned portion or portions arising subsequent to the date of assignment.

All express or implied covenants of this lease shall be subject to all Federal and State Laws, Executive Orders, Rules and Regulations, and this lease shall not be terminated, in whole or in part, nor lessee held liable in damages, for failure to comply therewith, if compliance is prevented by, or such failure is the result of any such Law, Order, Rule or Regulation.

Lessee may at any time and from time to time surrender this lease as to any part or parts of the leased premises by delivering or mailing a release thereof to lessor, or by placing a release or record in the proper County.

Lessor hereby warrants and agrees to defend the title to the lands herein described, and agrees that the lessee shall have the right at any time to redeem for lessor by payment any mortgages, taxes or other liens on the above described lands, in the event of default of payment by lessor, and be subrogated to the rights of the holder thereof.

IN TESTIMONY WHEREOF, we sign this the _____ day of _____, 20_____.

X_____ X_____

1001

PAY
TO THE
ORDER OF _____

DATE:

\$

_____ DOLLARS

MEMO _____

AUTHORIZED SIGNATURE(S)

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On-Line Classes

Critical Legal Concepts Related to the Land Profession

Crucial information dealing with a myriad of critical concepts surrounding the land profession and the oil and gas industry are covered in this class. Subject matter covers state specific title issues and statutes that impact how oil and gas interests are interpreted, calculated and maintained; specific language in conveyances and how each word or the placement of the words impact the conveyance outcome; and state specific legal concepts surrounding doctrines of oil, gas, royalty, trespass, pooling, types of ownerships, and ownership theories.

A Comprehensive Study of the Oil & Gas Lease, Lease Obligations and Lease Clauses

This class is perhaps the best resource available for those wanting to learn about the management of a company's oil and gas lease assets. It is designed to offer specialized instruction for the landman, land tech. and lease or title analyst as they deal with particular lease and lease related issues.

A Comprehensive Study of Property Ownership and Transferring Title

This course takes an in-depth and thorough look at property ownership beginning with the origins of ownership in the United States. Other topics include: differing types of property ownership such as real property, personal property, community property, separate property, homestead laws or dower estates; the rules surrounding mineral and royalty ownership including surface, divided and undivided interests; the rules for conveying property; varying types of conveyances, testate and intestate succession laws and the many types of title transfers that result from court actions.

Contracts Used by Petroleum Land Management

Contracts are the heart and soul of the oil and gas industry which uses a number of unique agreements in order to explore for, develop, produce, and market oil and gas. This course will provide an understanding of contract law and is designed for all oil and gas professionals or those having a desire to work directly or indirectly in land or land administration. Contracts examined will include the Joint Venture Agreement, Area of Mutual Interest Agreement, Seismic Agreements, Surface Agreements, unit operating agreements, unit agreements, the AAPL Joint Operating Agreement and the Farmout Agreement.

An Introduction to Petroleum Land Management

Choosing a career as an oil and gas landman or land administration professional is a job path that is highly sought by many individuals. These types of jobs can be rewarding both personally and financially, offering an income that can be substantially greater than many other professions that require far more training. This class is excellent for those wishing to examine the subjects and tasks the land professional is called upon to manage, including: land and mineral ownership in the United States, leasing available minerals, land strategies, pooling, unitization, and searching for and drilling for oil and gas.

Calculating your Division of Interest

This on-line class comes with both a textbook and the Calculating Your Division of Interest Workbook and will be of tremendous value in helping the land professional calculate all types of interests, including net mineral acres, royalty, net revenue, gross working, and overriding royalty interest. Chapters also include unit calculations, calculating payouts, non-consents, farmouts, and calculating overrides based on farmout language.

Mastering Lease Obligations

This class provides the most practical, applicable, hands-on instruction available for those who administer the oil and gas lease and whose jobs are affected by the lease. The class will deal with several lease clauses including: the granting clause, habendum clause, Pugh clause, force majeure clause, operations clause, shut-in clause and rental clause.

Critical Legal Concepts

Crucial information dealing with a myriad of critical concepts surrounding the land profession and the oil and gas industry are covered in this class. Subject matter covers state specific title issues and statutes that impact how oil and gas interests are interpreted, calculated, and maintained; specific language in conveyances and how each word or the placement of the words impact the conveyance outcome; and state-specific legal concepts surrounding doctrines of oil, gas, royalty, trespass, pooling, types of ownerships, and ownership theories.

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