

The Override

Every Landman Wants One!

Volume XIV, Issue IV

March 12, 2022



Presidents Message

JOE MUNSEY, RPL
PRESIDENT

SOUTHERN CALIFORNIA GAS COMPANY

We are not quite sixty days from our last issue of *The Override*, and the whole world has had its proverbial cart turned upside down. War, death and destruction, refugees, and bewilderment have taken center stage. Yet, Climate Czar John Kerry may end up with words that may live in infamy, “But it could have a profound negative impact on the climate obviously. You have a war and obviously you’re going to have massive emissions consequences to the war. But equally importantly, you’re going to lose people’s focus, you’re going to lose certainly big country attention because they will be diverted and I think it could have a damaging impact.” I am at a loss for words.

How this chaos reaches a peaceful settlement, besides the obvious misery Ukraine and its people will be saddled with, energy needs, specifically, oil and gas, have re-entered the world’s collective conscious. Does the US oil and gas industry don the white hat and come to the rescue – I would not bet on it. Whatever “oil boom” comes out of this, in our opinion, will be short-lived; we are too far down the path of replacing the industry with new forms of energy. We all know oil and gas in some form is going to be around for the foreseeable future, alongside alternative clean energy; better to continue to work in all facets of energy sources using the skills sets of land or legal, to become the subject matter expert.

Keeping the pace on track by presenting cross-over land and legal opportunities, we have Rebecca Hollis, Director of Business Development, Clean Energy Systems, Inc., presenting “California Carbon Negative Energy – Land Work” for our March luncheon. We look forward to your attendance if you plan to attend in person or “drop by” virtually.



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Meeting Luncheon Speaker

“CALIFORNIA CARBON NEGATIVE ENERGY - LAND WORK”



Since joining Clean Energy Systems (CES) in 2009, **Ms. Rebecca Hollis** has served in roles of Project Engineer, Project Manager, and Program Manager. Today, she is the Managing Director of CES’ heat exchanger division, HEXCES, and the Director of Business Development for the deployment of Carbon Negative Energy (CNE) plants across California and the United States.

Ms. Hollis has 15 years experience in R&D and product development in the energy, clean tech., automotive, and aerospace industries. She has managed and directed multi-million-dollar contracts for industry and government clients with multi-disciplinary teams to develop innovative advanced technologies.

Luncheon Speaker
continued on page 2





Opinionated Corner

CLIFF MOORE
INDEPENDENT, RETIRED

THERE IS NOTHING NEW UNDER THE SUN

Note: This article was written about a month ago. The world has changed in dramatic ways since then. I have not changed my views on where we are and we're headed energy-wise. Unless something definitive happens in Europe and Asia as an aftereffect of aggressions and reactions to same I stand by my position as current and topical.

There is solid archeological proof that 12,500 years ago there was a war. A world-changing war that reshaped earthly society and made us have to start over. Let's not traipse down that path again. Although there is nothing new under the sun, we, right now, have that choice to fight the opposition or compromise with the inevitability. We fought the war back then (and ahead of us) and lost. Let's not re-do that fiasco. Let's find that equilibrium. And try to save this humanity as we know it.

It is evidently clear that fossil fuels, i.e., hydrocarbons are not limitless. They are not going to last forever. Let's join with the opposition and preserve the life of them as long as we can till we find a reusable energy source that's going to last us till our star burns out 3.2 billion years from now.

It is clearly evident that our reserves can only last us 185 years or so. Maybe 205 years if we do it right via rapprochement with the renewables coterie for the next 100 years.

I'm looking far, far, far down the road trying to see my grandkids' grandkids and so forth and the planet they will adopt. Will it be cold and desolate

because we thought only of the present or will they inherit a home that has evolved into a place where nothing is thrown away? Will we learn to reuse all energy? Will defunct fossil fuels be reused as astro-fuel to warm three or four generations from now or will we forsake our future for the profits of today?

This is our time to reimagine our future. This is OUR time to reach forward by protecting our past. Those wells we dug 50-100 years ago can protect our future. The earth's core will be warm 2,000 years from now and we need to project ourselves into the future world and try to see where we're headed more so than where we are at.

Sustainable energy via solar and wind and hydro are not the godsend they are made out to be. They are merely the bandages for the immediate future. Harvesting what this planet has to offer deep, deep underground and marrying that with what's on the surface is the answer to our survival for many generations to come.

An O&G lease for under 500 feet and limited to a predetermined depth is not the wave of the future. It is a limited vision of the future. We can draw deeper energy upward and utilize its potential to make this planet livable for 15,000 more years and beyond.

I know this sounds like science fiction but 135 years ago traveling to our moon was a laughable idea.

From 1946 to 1954 (less than a decade) it had not seemed plausible. But after 1954 Russia (the new USSR, then the Soviet Union, then Russia again) went beyond the laughable and put men and chimps, and unmanned satellites into the ether; what we then believed was heaven. Heaven was moved by persons who were not held by limited views of God but all expanding respect and adulation for how BIG God was and is. The boundaries have been permanently moved.

Seeking energy sources beyond

our home was a short-lived project. Acknowledging energy sources already discovered on terra-firma was re-looked at and that relooking has empowered the O&G community to stick its chest out and say, "What the hey?" We are a valuable commodity after all.

I can touch natural gas. I can touch coal. I can touch oil. The reality of the situation is we can hope and dream for that we can not touch but someday hope to touch or we can value what we already can touch and feel and see and rework our values to transform those things into solid workable solutions to guarantee our future.

I am not disavowing the possibilities of that which is beyond the knowable. I am merely pointing out we should not value the fire above the flammable kick-starters. A hen and a rooster are sustainable as long as you cherish the fertilized eggs.

Existential parable: I went to Denny's the other day and ordered fried chicken and scrambled eggs to see which one would come first.

2022 Early Bird Call for Dues

Jason Downs, RPL, Chapter Treasurer, will be calling for dues late Spring; which will be due by June 2022 for the 2022 – 2023 year. Cost: still a mere bargain at \$40.00.

Luncheon Speaker She successfully continued from page 1 closed 70+ deals across six different states, totaling over 370 megawatts of potential projects.

Ms. Hollis holds a BS in Mechanical Engineering from the University of Toledo, an MS in Aeronautical Engineering from the Ohio State University, and an MBA from the University of California, Davis with a focus on entrepreneurship, strategy, and finance.



THE OVERRIDE IS, AND HAS BEEN EDITED BY JOE MUNSEY, RPL AND PUBLISHED BY RANDALL TAYLOR, RPL, SINCE SEPTEMBER OF 2006.

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Chapter Board Meetings

MARCIA CARLISLE
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LAAPL SECRETARY

We encourage all members to attend our LAAPL Board Meetings which are typically held in the same room as the luncheon immediately after the meetings are adjourned.

There was no Board meeting following our last LAAPL virtual meeting on January 27, 2022.

Communications/Website Committee Announcement

Communication/Website Committee Chairman Chip Hoover, Independent, introduces Mr. Larry Lacombe to the Committee. Larry will be helping with website content and communications. Larry is Vice President of Underwriting Practices with Old Republic Title Company. His articles have been published in "The Override" and AAPL's "Landman," additionally, he has been a speaker at WCLI and LAAPL. Larry has deep roots here in the LA Basin. We look forward to bringing topics to the LA Basin sparking everyone's interest.

As always, we are open to any ideas and updates for the website. Feel free to contact me at chiphoover@hotmail.com

Scheduled LAAPL Luncheon Topics and Dates

March 17, 2022

Rebecca Hollis, Director of Business Development,
Clean Energy Systems, Inc.

"California Carbon Negative Energy – Land Work"

May 19, 2022

Speaker TBD
Officer Elections



Treasurer's Report

JASON DOWNS, RPL
TREASURER
LAND REPRESENTATIVE
CHEVRON PIPE LINE AND POWER COMPANY

As of 1/19/2022, the LAAPL account showed a balance of

LAAPL account	\$34,465.83
Deposits	\$40.00
Total Checks, Withdrawals, Transfers	\$0.00
Balance as of 3/9/2022	\$34,505.83

New Members and Transfers

ALLISON FOSTER
MEMBERSHIP CHAIR
INDEPENDENT

Welcome! As a Los Angeles Association of Professional Landmen member, you serve to further the education and broaden the scope of the petroleum landman and to promote effective communication between its members, government, community and industry on energy-related issues.

New Members

None to Report

Transfers

None to Report

LAAPL Directory

The LAAPL 2021 – 2022 Directory has a new look. If you have not received your directory kindly contact Marcia Carlisle, Chapter Secretary, Termo Company, at marciac@termoco.com

While all membership contact information "seems" to be at your fingertip, all the effort gathering membership information starts with Membership Chair, Allison Foster, RL. The end product and giving the LAAPL Directory a new look goes to Jason Downs, CPL, and Randall Taylor, RPL.

Thanking all who put in the effort to get the Directory out.

Lawyers' Joke of the Month

**JACK QUIRK, ESQ.
BRIGHT AND BROWN**

As a bagpiper, I play many gigs. Recently I was asked by a funeral director to play at a graveside service for a homeless man. He had no family or friends, so the service was to be at a pauper's cemetery in the Nova Scotia back country.

I got lost and, being a man, I didn't ask for directions. I finally arrived an hour late and saw the funeral director had evidently gone and the hearse was nowhere in sight. There were only the diggers left and they were eating lunch.

I went to the side of the grave and looked down and the vault lid was already in place. I didn't know what else to do, so I started to play. The workers put down their lunches and began to gather around. I played out my heart and soul for this man with no family and friends.

I played like I've never played before for this homeless man. And as I played "Amazing Grace," the workers began to weep. They wept, I wept, we all wept together. When I finished, I packed up my bagpipes and started for my car. Though my head was hung low, my heart was full.

As I opened the door to my car, I heard one of the workers say, "I never seen nothing like that before and I've been putting in septic tanks for twenty years."



**Randall Taylor, RPL
Petroleum Landman**

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Rick Peace, President

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WHEN:

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DETAILS TO FOLLOW

(Fingers Crossed!)



Director Report

AAPL QUARTERLY BOARD MEETING

March 13, 2022

Hotel ~ Oklahoma City, Oklahoma

Name:	Jason Downs, CPL, Senior Land Representative
Company:	Chevron Pipeline & Power
Email:	jasondowns@chevron.com
Local Association Full Name:	Los Angeles Association of Professional Landmen

39 Total Local Association Members

31 Total Active (“Land Professionals”) AAPL Members within your Association

Association projects/activities:

SCHEDULED LAAPL LUNCHEON TOPICS AND DATES:

- January 27, 2022 [4TH Thursday] Annual Joint Meeting with Los Angeles Basin Geological Society
- March 17, 2022, Rebecca Hollis, Director of Business Development, Clean Energy Systems, Inc. “California Carbon Negative Energy – Land Work”
- May 19, 2022, Speaker TBD and Officer Elections
- West Coast Land Institute San Diego has been scheduled for 2022.

Association requests/concerns:

- Los Angeles would like to see AAPL and California Oil & Gas Associations (CIPA & WSPA) work in tandem on support for California political initiatives and public awareness.
- Working with the Tax Committee on researching the possibility of expanding the Landman exemptions for California Real Estate code

Local news including business activity and day rates:

Independent work in LA basin is minimal with a few Landmen working project based and quasi-inhouse roles. Broker rate \$50-\$120 an hour with seasoned Landmen charging a premium.

Bylaws Policy and Procedure suggestions:

None



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LAAPL - 2022-2023 Officers Ballot



2022-2023

OFFICERS and DIRECTORS¹

Meeting Date: May 19, 2022

Nominations Chair, Dale Hoffman, CPL, presents the following candidates¹ for officers to serve from July 1, 2022-June 30, 2023. Additional nominees may be submitted to the Nominations Chairman at dale.e.hoffman@gmail.com or by calling 907-830-2571 to be included on the final candidate's list, which will be published in the May newsletter. Officers will be elected by a vote of the membership in attendance on May 19, 2022. Nominations will also be accepted from the floor at that time.

PRESIDENT

- Richard Maldonado² Vice President Spectrum Land Service

PAST PRESIDENT

- Joseph D. Munsey, RPL^{3 & 4} Senior Land Advisor Southern California Gas Company

CANDIDATES:

VICE PRESIDENT-VOTE FOR ONE

- Sarah Downs, RPL Land Advisor Southern California Gas Company

Blank line for candidate nomination

SECRETARY-VOTE FOR ONE

- Marcia Carlisle Land Analyst The Termo Company

Blank line for candidate nomination

TREASURER - VOTE FOR ONE

- Jason Downs, CPL Land Representative Chevron Pipeline & Power

Blank line for candidate nomination

DIRECTORS - VOTE FOR TWO

- John Harris, Esq. Partner Casso & Sparks, LLP

- Ernest J. Guadiana, Esq. Partner Elkins Kalt Weintraub Reuben LLP

Blank line for candidate nomination

Notary Public advertisement for Allison S. Foster RL, Notary Public, including contact info and logos.

Per the LAAPL Bylaws, I am an Active Member of the Association and eligible to vote in annual elections.

Write-in candidates MUST have given their prior consent for nomination.

1Per Section 7(7)(a) prior to the regular meeting scheduled nearest to April 15th of each membership year, the membership will be provided with a list of the nominees for offices of Vice President, Secretary, Treasurer and the two (2) Directors.

2Per Section 7(3) the Vice President shall succeed to the office of the President after serving his or her term as Vice President and shall hold the office of President for the next twelve (12) months.

3Per Article 8 (2) the outgoing President shall serve as Past President.

4Per Article 8 (2) the outgoing President shall serve as a Director.

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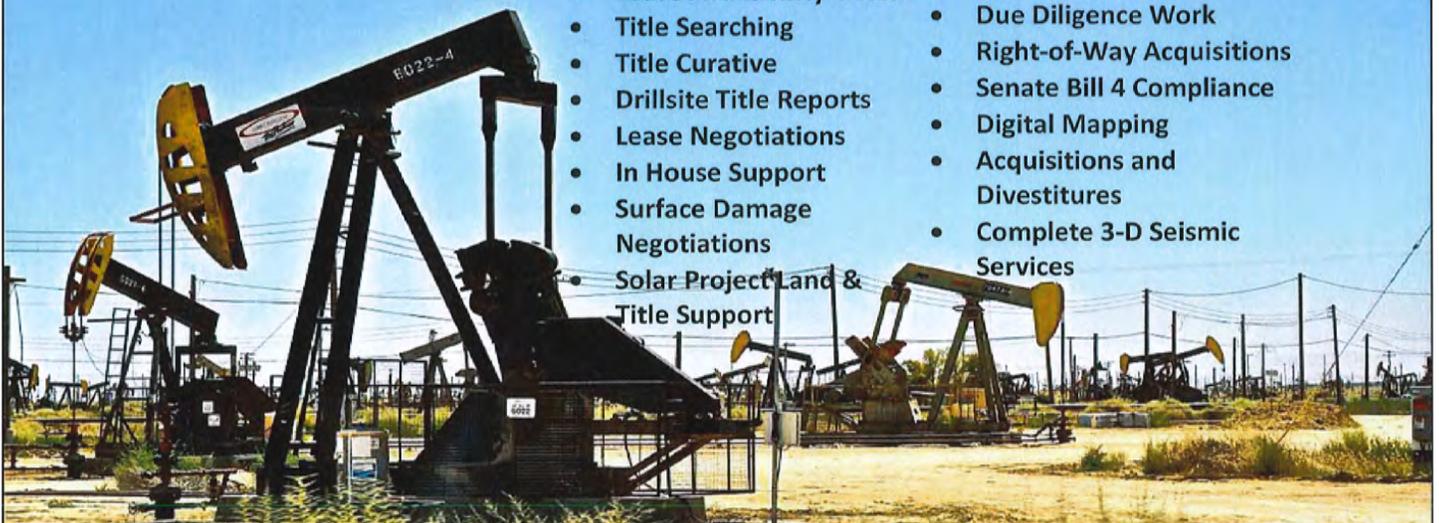
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Gary L. Plotner, President
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BAPL President – 1985-86 and 2003-04; AAPL Director – 1988-90, 2002-03, 2004-07

Legislative Update

BY MIKE FLORES
CHAMPIONSHIP STRATEGIES, INC



Major U.S. Oil and Gas Industry Urge Biden Administration to Boost Domestic Production Amid Russian Invasion

“API condemns Russia’s invasion into Ukraine, and American natural gas and oil producers have a critical role to play in supporting our European allies with access to a stable supply of reliable and affordable energy,” American Petroleum Institute (API) President and CEO Mike Sommers said in a statement.

“With both geopolitical tensions and energy costs rising, American energy leadership can serve as a stabilizing force while strengthening global energy security,” Sommers said. “Our industry is committed to working with the administration to do everything possible to minimize any impacts on U.S. consumers while supporting our allies overseas.”

Russia provided more oil to the U.S. than any other country except Canada between January 2021 and November 2021, U.S. Energy Information Administration data showed. The country, which exported nearly 65% of the 10.5 million barrels of crude oil per day it drilled in 2020, is Europe’s largest oil supplier as well.

JPMorgan Predicts Year-End Brent at \$185 If Russian Supply Disruption Continues

JPMorgan Chase said that Brent prices could reach \$185 per barrel by year-end if the Russian supply continues to be disrupted. The bank noted that 66 percent of Russian oil is having trouble finding buyers. It added that wider sanctions and the prioritization of a “shift to energy security” could impact as much as 4.3 million barrels per day.

City of LA Votes to Ban New Wells

The Los Angeles City Council in the last week of January voted unanimously to ban new oil wells and phase out existing ones, a move leaders in the nation’s second-most populous city called essential for health reasons.

The council declared oil wells “non-conforming” with the city’s land-use requirements. A city commission now will study how to phase out more than 5,200 existing oil and gas wells.

It could be done quickly for some, but others might take as long as 20 years, according to Councilman Paul Krekorian, a key backer of the oil drilling ban.

Newsom in 2020 said he wanted to phase out gas- and diesel-fueled cars and trucks and asked the California Air Resources Board to craft regulations to enact it. A draft rule that agency released in December would require that carmakers selling in California make 100 percent of their passenger cars and trucks plug-ins or other zero-emissions options by 2035.

Meanwhile, LA Mayor Eric Garcetti wants more clean cars on the roads in time for the 2028 Summer Olympics, which the city is slated to host. He wants electric and other zero-emission vehicles to constitute 30 percent of cars in the city by that year. LA and surrounding cities in LA County are working on a plan to accelerate clean transportation options before the Olympics.

However, Rock Zierman, CEO of the California Independent Petroleum Association, said the state’s oil consumption isn’t dropping.

“Shutting down domestic energy production not only puts Californians out of work and reduces taxes that pay for vital services, but it makes us more dependent on imported foreign oil from Saudi Arabia and Iraq,” Zierman said in an email. “Imports are totally exempted from California’s environmental laws, including our greenhouse gas cap and trade program. Further, taking someone’s property without compensation, particularly one which is duly permitted and highly regulated, is illegal and violates the US Constitution’s 5th Amendment against illegal search and seizure.”

LA County is second only behind Kern County as a center of oil drilling in the Golden State. The LA City Council ban is limited to oil wells within city limits. However, the LA County Board of Supervisors, which oversees unincorporated county areas, is working on a similar move, said Bahram Fazeli, director of research and policy at Communities for a Better Environment, a citizen activist group.

There are 5,229 known oil and gas wells in the city of LA. Of those, 704 are active.

“The city of LA is realizing that phasing out oil drilling in the city of LA is important from a public health perspective; from an environmental justice point of view; and also it is an opportunity that will

*Legislative Update
continued on page 12*



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create community revitalization, economic development, and job creation,” Fazeli said. When there are so many idle oil wells, he said, “they are occupying the land that is not benefiting the community.”

Asked about the issue of oil consumption not dropping in California, Fazeli noted the state’s plan to phase out gasoline-fueled vehicles.

“That is really the direction that California is moving toward aggressively,” Fazeli said. Many politicians and labor leaders are “interested in creating renewable [energy] jobs, good-paying union renewable jobs, to create this new economy, and it’s going to happen, it is happening.”

Reprinted from E&E News

California Energy Bill Update

California Ends 11/30/22	Access all bills: http://leginfo.legislature.ca.gov/faces/billSearchClient.xhtml			
	AB 25	R	Repeals ABC test for independent contractors and reverts back to more permissive <i>Borello</i> multi-factor test	In committee
	AB 345	D	Creates a statewide 2,500-foot buffer zone around oil wells	Passed Senate; in Assembly committee
✓	AB 896	D	Collection of unpaid idle well fees from an operator; establishing the timelines and criteria for determining if a well has been deserted, and locating or collecting any costs from the operator or responsible party for a well that has been deserted or ordered to undergo well integrity testing or to be plugged and abandoned by the supervisor	Enacted 10/8/21; Eff 1/1/22 if SB 84 is also enacted
X	AB 1395	D	Would mandate the California Air Resources Board establish new climate goals to achieve 90% emission reductions by 2045, and effect housing construction, agriculture production, energy, transportation, and all manufacturing	Died in session
	SB 25	D	Express intent for legislature to enact legislation related to regulation of well stimulation treatment projects	In committee
✓	SB 47	D	Expresses intent for legislature to enact legislation related to orphaned wells; offers no specifics	Enacted 9/23/21; Multiple eff dates

State/ Session end	Bill No.	Sponsor (D/R)	Description	Status
✓	SB 84	D	Amends provisions of existing law regarding orphan, idle and abandoned wells	Enacted 10/9/21; Eff 1/1/22
✓	SB 406	D	Makes numerous changes to existing oil and gas conservation law to enhance public transparency	Enacted 10/8/21; Multiple eff dates
X	SB 419	D	State regulator to develop a strategic plan related to oil and gas that incorporates protecting public health, safety, and environmental quality; required union employment for certain oil field work; Reintroduced 8/24/21 all oil and gas provisions removed; no longer relevant bill	Passed Senate; Pulled by sponsor
X	SB 467	D	Hydraulic fracturing ban	Died in cmte 4/13/21



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Case of the Month - Right of Way



VALUING WATER RIGHTS IN EMINENT DOMAIN

BRADFORD KUHN, ESQ., PARTNER
LAW FIRM OF NOSSAMAN LLP

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As water becomes scarcer in California, public agencies are looking for new sources and opportunities to provide water to their communities. When the government identifies those water sources but confronts unwilling sellers, eminent domain sometimes becomes necessary. This is currently taking place in the Antelope Valley, where the Rosamond Community Services District recently approved the adoption of a resolution of necessity to acquire water rights from agricultural land by eminent domain.

The District is facing shortages in its future water supplies and it is limited in the amount of groundwater it may use to serve its customers. The property identified is near an existing water distribution system, and the District could not locate another willing seller to secure sufficient water rights to meet the shortfall. It appears the owners plan to challenge the District's right to take the property, and if the District is successful, there will be a large fight on the value of the water rights. The District approved financing that would provide up to \$17.5 million to acquire the water rights, which would be repaid through rates passed on to customers.

Valuation of water rights is a complex analysis that depends on a number of factors. In addition to determining the actual water rights in existence and their transferability, appraisers also consider:

- the quality of the water and its suitability for a variety of uses (agricultural, municipal, or drinking water);
- the costs to extract the water, including necessary improvements that must be installed to secure access;
- the reliability of the water source, including its priority in the water basin in the event of low-flow conditions; and
- alternative water supplies in the area, which dictates supply and demand and the price buyers and sellers will pay for water in the geographic vicinity.

Once those factors are established, appraisers typically use methodologies that are applied to traditional real estate valuation, such as the income approach, comparable sales approach, or cost approach. For example, in valuing water rights, an appraiser could consider the anticipated revenue stream of leasing the water, discounted to present value. Alternatively, an appraiser could look at other comparable transactions of water rights and make necessary adjustments to determine the appropriate value of the water rights. Or, under a cost approach, an appraiser could analyze the cost of developing an alternative water supply.

Rights that provide a reliable source of water, provide access to high-quality water, have minimal limits on transferability, and have scarce options for alternative water sources will ultimately fetch the highest price.

Mr. Kuhn can be reached at bkuhn@nossaman.com.



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Case of the Month - Energy

THE ERA OF CHEAP RENEWABLES GRINDS TO A HALT

BY IRINA SLAV OF OILPRICE.COM

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This original published article can be found at <https://oilprice.com/Energy/Energy-General/The-Era-of-Cheap-Renewables-Grinds-To-A-Halt.html>
[\[oilprice.com\]](https://oilprice.com)

Irina Slav is a writer for Oilprice.com with over a decade of experience writing on the oil and gas industry.

- Raw material shortages, notably in metals and minerals and polysilicon are impacting the renewable energy industry
- The cost of solar panels, wind turbines, and EV batteries is climbing after years of declines
- Solar panel prices had surged by more than 50 percent in the past 12 months alone. The price of wind turbines is up 13 percent and battery prices are rising for the first time ever

The ***continual decline in production cost for wind, solar, and EV batteries was touted as the driver of their growing adoption*** and ultimate takeover of the global grid. Up until two years ago, there was no other scenario on the table—even though inflation was as much a reality then as it is now. Only now, it has become a lot more pronounced.

At a recent metals and mining [conference \[youtube.com\]](#) in Riyadh, several attendees noted that the mining industry had fallen out of favor with lenders because it was deemed as damaging for the environment as oil and gas. Yet now, it is becoming abundantly clear that without the mining industry, there can literally be no energy transition. Solar panels, wind turbines, transmission lines, and EVs all depend on metals and minerals in sufficient quantities.

These quantities, however, are already problematic. During the pandemic, supply chain disruptions—one of the most popular phrases of the pandemic, it would seem—wreaked havoc across industries that resulted in various raw material shortages, notably in metals and minerals and polysilicon.

Shortages typically lead to higher prices, and this is exactly what happened here as well. As a result, ***the cost of solar panels, wind turbines, and EV batteries started climbing—a development that virtually no renewable energy forecaster had anticipated.***

Bloomberg reported this month that ***solar panel prices had surged by more than 50 percent in the past 12 months alone.*** The ***price of wind turbines is up 13 percent*** and battery prices are rising for the first time ever, the report [noted \[worldoil.com\]](#).

Of course, all this could be dismissed as a temporary glitch because of those pesky supply chain disruptions; once those are dealt with, prices should return to normal. Unfortunately, this argument does not hold water because the demand projections for all those metals and minerals called critical precisely because the energy transition hinges on them are invariably bullish. Put another way, ***the world will need a huge amount of copper, lithium, nickel, manganese, and cobalt, among others, to continue with the energy transition. And they are not coming fast.***

That lending problem for the mining industry as well as oversupply in some segments of the metals market led to ***lower investments in new mines in recent years.*** That added to an already existing problem of falling ore grades: now, ***a miner needs to dig out a lot more ore to find the same amount of copper,*** for instance, than they had to 20 years ago.

This means that the extraction of ***a ton of copper has become costlier even without the rising demand.*** With the rising demand projections, the outlook for copper and other critical metals is definitely bullish. But a bullish outlook for copper means higher prices for windmills and solar farms, and for EVs as well.

This is not all, either, because there is also ***the issue of new supply.*** Banks are now definitely more interested in investing in the mining industry, what with those critical metals and minerals, but ***their shareholders—and governments—are insisting in these metals and minerals being mined responsibly***—that is, in compliance with certain ESG requirements. A recent [report \[metalbulletin.com\]](#) by Metal Bulletin notes that carmakers are now putting their mineral suppliers through a vetting process to ensure they were mined responsibly. That's more additional costs piled on, too.

And this is not all, either, because new metal and minerals supply will be vital for the energy transition. And ***one of the key characteristics of the mining industry is long lead times.*** There is no way around it. ***It takes about a decade to turn a prospective deposit into an operating mine, even*** with the most modern technology. To sum up, then, the current trend for higher prices in the low-carbon energy sphere may very well be just the beginning of an extensive rally that could last for decades.



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Bibikos' At the Well Weekly Round-up

BIBIKOS' AT THE WELL WEEKLY ROUND-UP

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Below are various oil and gas cases recited in his blog site [gabibikos.com] *At the Well Weekly* which may be of interest for your further inquiry.

Interesting

- Mountain Valley Loses Another Permit Fight. **The Fourth Circuit vacated for the second time** the U.S. Fish and Wildlife Service's environmental analysis of the \$6 billion natural gas Mountain Valley Pipeline, agreeing with environmental groups that the agency failed to consider climate change and consequences the pipeline could have on protected species. *Appalachian Voices v. United States Dep't of Interior*, --- F.4th ----, No. 20-2159, 2022 WL 320320 (4th Cir. Feb. 3, 2022).

Headlines & Holdings – Appalachia

- WV Fed. Ct. Says O+G Lease Docs = Valid Contract but no Breach for Failure to Tender Bonus Conditioned on Management Approval. **In a lease dispute**, a federal court in West Virginia held that an **oil and gas lease, memorandum, and order of payment** read together constituted a valid and enforceable agreement but concluded that the lessee did not breach for failure to pay a bonus conditioned on management approval of the leases. *Benson v. High Road Operating, LLC*, --- F. Supp. 3d ----, No. 5:20-CV-00229, 2022 WL 264548 (N.D.W. Va. Jan. 27, 2022).
- Federal Court in Ohio OK's Claim for Conversion of O+G Royalties. **In a royalty dispute**, the **true owners of mineral rights prevailed** on their claim for conversion of royalty payments after the defendants falsely represented themselves as the true owners and accepted royalties, rejecting the defendants' argument that Ohio does not permit a conversion claim with respect to real property given that royalty interests are interests in personal property and the defendants exercised dominion and control over the payments (as opposed to subsurface property interests). *Gorsha v. Clark*, --- F. Supp. 3d ----, No. 2:18-CV-508, 2022 WL 278973 (S.D. Ohio Jan. 31, 2022).

Headlines & Holdings - Beyond Appalachia

- DC Federal Judge Throws Out **Biggest Offshore O+G Lease Sale**, Citing Climate Change. D.C. District Judge Rudolph Contreras **vacated Lease Sale 257 covering roughly 80 million acres** in the Gulf of Mexico — considered the **largest sale** of offshore oil and gas resources in U.S. history — **because** the Bureau of Ocean Energy Management failed to take into account the full impact of the sale on the climate and greenhouse gas emissions. *Friends of the Earth v. Haaland*, --- F. Supp. 3d ----, No. 21-2317 (D.D.C. Jan. 27, 2022).
- Prior Owner of Mineral and Royalty Interests Can't Prevail on Fraud or Negligence Misrepresentation Claims. In a dispute regarding mineral interests and oil and gas operations, a court of appeals in Texas concluded that a **plaintiff who assigned his mineral and royalty interests** to a third party **cannot prevail on claims of fraud and negligent misrepresentation** following that assignment. *Hughes v. CJM Res., LP*, --- S.W.3d ----, No. 11-20-00046-CV, 2022 WL 252033 (Tex. App. Jan. 27, 2022).
- Texas Supremes Define "Pipeline" in Connection with O+G Royalty Dispute. In a **dispute over payment of royalties** to an NPRI *Bibikos'* **continued on page 19**

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continued from page 18

owner, the Texas Supreme Court held that royalties payable “in the pipeline” as set forth in the deed creating the NPRI are subject to post-production costs downstream of the interconnection with a gathering line, concluding that (a) “a gas gathering pipeline is a ‘pipeline’ in common, industry, and regulatory parlance”; and (b) the deed in question did not limit the delivery location to any specific pipeline nor prohibit delivery to a pipeline at or near the well. *Nettye Engler Energy, LP v. BlueStone Nat. Res. II, LLC*, --- S.W.3d ---, No. 20-0639, 2022 WL 333368 (Tex. Feb. 4, 2022).

- Fifth Circuit Backs Unleased Owner’s Claim that Unit Operator Forfeited Right to O+G Well Cost Contribution. In a forced pooling case under Louisiana law, the Fifth Circuit held that a unit operator failed to comply with its disclosure and reporting obligations to an unleased owner and therefore forfeited the right to demand contribution for a proportionate share of the costs of well drilling operations, concluding that the unleased owner’s two letters requesting information put the operator on notice to disclose information in order to seek reimbursement for well costs. *B.A. Kelly Land Co., LLC v. Aethon Energy Operating, LLC*, --- F.4th ---, No. 20-30090, 2022 WL 417410 (5th Cir. Feb. 11, 2022).



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LAAPL Education Report

March – July 2022

*John R. “JR” Billeaud, RPL, Land Manager, California Natural Resources Group
Education Chair*

March

[Royalty Deductions](#)

Date: March 14, 2022

Speaker: Marlin K. Brown, CPL

Credits: 3 CEU

[AAPL Update](#)

Date: March 16, 2022

Location: Washington, PA (at Appalachian Land Institute)

Speaker: James T. Devlin, CPL

Credits: 1 CEU

[2022 Appalachian Land Institute](#)

Dates: March 16-17, 2022

Location: Washington, PA

Credits: 10 CEU; 1 CEU Ethics

[LAAPL March 2022 Luncheon](#)

Date: March 17, 2022

Speaker: Rebecca Hollis, Director of Business Development, Clean Energy Systems

Topic: California Carbon Negative Energy Land Work

[AAPL RPL/CPL Certification Exam Review - Denver, CO](#)

Dates: March 23-25, 2022

Location: Denver, CO

Speakers: Curtis D. Horne, CPL; Owen M. Barnhill, CPL; S. Scott Prather, CPL

Credits: 18 CEU; 1 CEU Ethics

[2022 Gulf Coast Land Institute](#)

Dates: March 30 – April 1, 2022

Location: Lafayette, LA

Credits: 11 CEU; 1 CEU Ethics

[Field Landman Seminar – Oklahoma City](#)

Date: March 31, 2022

Location: Edmond, OK

Speakers: Marc T. Eckels; Melissa Reynolds; Michael D. Vanden Berg

April

[Field Landman Seminar – Vernal, UT](#)

Date: April 5, 2022

Location: Vernal, UT

Speakers: Marc T. Eckels; Melissa Reynolds; Michael D. Vanden Berg

[AAPL's Code of Ethics and Standards of Practice - II](#)

Date: April 6, 2022

Location: Vernal, UT

Speakers: George R. Shultz, CPL

Credits: 1 CEU

[Joint Operating Agreements](#)

Date: April 7, 2022

Location: Coraopolis, PA

Speakers: Dorsey T. Roach, CPL

Credits: 7 CEU

[Structuring a Deal: Negotiation Strategy and Technique](#)

Date: April 12, 2022

Location: TBD

Speakers: Marita G. Morris, CPL

Credits: 5 CEU; 1 CEU Ethics



Educational Corner - continued

[Wind Energy Land and Title](#)

Date: April 13, 2022

Location: TBD

Speakers: TBD

Credits: 1 CEU

[Working Interest and Net Revenue Interest Calculations \(Basic and Advanced Options\)](#)

Dates: April 21-22, 2022

Location: Denver, CO

Speakers: Douglas M. Potter, CPL

Credits: 12 CEU

[Field Landman Seminar – Tyler, TX](#)

Date: April 23, 2022

Location: Tyler, TX

Speakers: TBD

[Compulsory Pooling](#)

Date: April 27, 2022

Location: TBD

Speakers: Bradley Gibbs

Credits: 1 CEU

[AAPL RPL/CPL Certification Exam Review - Bakersfield, CA](#)

Dates: April 27-29, 2022

Location: Bakersfield, CA

Speakers: Dorsey T. Roach, CPL; Roger A. Soape, CPL; Thomas M. Rucker II, CPL

Credits: 18 CEU; 1 CEU Ethics

[AAPL & EMLF Joint Land Institute](#)

Dates: April 27-28, 2022

Location: Coraopolis, PA

Speakers: TBD

May

[Surface Use and Access](#)

Date: May 3, 2022

Location: TBD

Speakers: George R. Shultz, CPL

Credits: 5 CEU; 1 CEU Ethics

[Oil & Gas vs. Solar: Negotiating a Lease](#)

Date: May 4, 2022

Location: TBD

Speakers: Phillip Guerra, CPL

Credits: 1 CEU

[Field Landman Seminar – East Lansing, MI](#)

Dates: May 5, 2022

Location: East Lansing, MI

Speakers: William B. Harrison, III

Credits: 2 CEU

[AAPL RPL/CPL Certification Exam Review - Pittsburgh, PA](#)

Dates: May 18-20, 2022

Location: Coraopolis, PA

Speakers: Curtis D. Horne, CPL; Dorsey T. Roach, CPL; S. Scott Prather, CPL

Credits: 18 CEU; 1 CEU Ethics

[LAAPL May 2022 Luncheon](#)

Dates: May 19, 2022

Speaker: TBD

Topic: TBD

[Held by Production and Royalty Issues](#)

Date: May 26, 2022

Location: Midland, TX

Speakers: Robert Kiefaber

Credits: 6 CEU

June

[Royalty Deductions](#)

Date: June 2, 2022

Location: TBD

Speakers: Marlin K. Brown, CPL

Credits: 3 CEU

[2022 AAPL Annual Meeting](#)

Dates: June 15-18, 2022

Location: Chicago, IL

Speakers: TBD

Credits: 12 CEU

[Understanding Petroleum Economics](#)

Date: June 28, 2022

Location: TBD

Speakers: Dwayne Purvis

Credits: 6 CEU; 1 CEU Ethics

[Earth, Wind, Solar](#)

Date: June 29, 2022

Location: TBD

Speakers: TBD

Credits: 1 CEU

July

[AAPL's Code of Ethics and Standards of Practice - III](#)

Date: July 6, 2022

Location: TBD

Speakers: George R. Shultz, CPL

Credits: 1 CEU Ethics

[AAPL RPL/CPL Certification Exam Review – Shreveport, LA](#)

Dates: July 19-21, 2022

Location: Shreveport, LA

Speakers: A. Frank Klam, CPL; Dorsey T. Roach, CPL; Thomas M. Rucker II, CPL

Credits: 18 CEU; 1 CEU Ethics

[Pipelines and Easements](#)

Date: July 27, 2022

Location: TBD

Speakers: Bradley Gibbs

Credits: 1 CEU

