



The Override

Every Landman Wants One!

Volume XV, Issue I

September, 2022



Presidents Message

RICHARD MALDONADO
PRESIDENT
SPECTRUM LAND SERVICES

Dear LAAPL Members and Friends,

As we all know by now, the climate, health care and tax package, more commonly known as the Inflation Reduction Act, recently adopted by Congress this August, will add billions of dollars into renewable energy programs. The Inflation Reduction Act also requires that previously announced offshore lease sales in the Gulf of Mexico and Alaska be held for the next two years.

This new “Draft Program” appears to follow lockstep with the last of the Obama Administration’s five-year energy programs. It proposes to hold ten lease sales over the next five years in the Gulf of Mexico and one Alaska with no proposed new lease sales in the Atlantic and Pacific.

Why does this matter?

A close review of the “Program” reveals the Department of the Interior’s (DOI) proposition to hold new lease sales. The Program makes clear that the DOI is inviting public comment on holding no lease sales as an option. Additionally, the DOI’s press release indicates only weak support for additional offshore oil and gas lease sales.

Given the conflicting nature of this Program, it is uncertain whether any leases called for in the Program will take place. In the DOI’s recent press release, the proposed areas for new leasing could be further narrowed or areas could be excluded from new leasing.

What is happening now?

This program was published in the Federal Register and a 90-day public comment period has now commenced and will close on October 6, 2022. Following this comment period, [Presidents Message continued on page 4](#)



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Meeting Luncheon Speaker

“GAS FLARING REGULATIONS AND MINING BITCOIN OFF FLARE GAS FROM OIL DRILLING”



Benjamin B. Holliday, Esq., President of Holliday Energy Law Group, will be our featured luncheon speaker. His topic will cover Gas Flaring

Regulations and also the emerging use of gas flaring for bitcoin mining operations.

A graduate of Texas A&M University and St. Mary’s University School of Law, Ben began his career as field landman leasing in South Texas and along the Gulf Coast. Shortly thereafter, he moved in-house with David H. Arrington Oil & Gas as a member of the Barnett Shale asset team. Since 2010, Ben has focused on representing operators with a focus on regulatory and title examination. Ben is the President of Holliday Energy Law Group and Massive Minerals Management, is Board Certified in Oil, Gas, and Mineral Law by the Texas Board of Legal Specialization, is the current South Texas Regional Director for AAPL, and a Past President of the San Antonio Association of Professional Landmen.



Opinionated Corner

**CLIFF MOORE
INDEPENDENT, RETIRED**

UNDER THE PRESSURE OF CHANGE

The push to replace fossil fuels as the number one source of the nation's energy supplier is on. The world's largest hydrogen hub is planned for Mississippi. Another green hydrogen plant is planned for Delta, Utah. That project is a joint venture by Mitsubishi Power Americas, Inc. and Magnum Development. The planned operating start-up date is projected for some time in early 2025.

Support funding for the aforementioned projects is expected to come directly from the Infrastructure Funding and Financing (Jobs) Act 2020.

If that isn't a clearing of the crystal ball, I don't know what is.

There are three main problems with putting all your eggs in one hydrogen basket.

1. Dissipation. Hydrogen like any other gas is hard to subdue/corral. It has a tendency to seep back into the ether and become one with itself as an integral part of this planet's atmosphere.
2. As an integral part of sustaining life on this world countless microorganisms seek it out as their food source. That must be addressed by making it less attractive.
3. Keeping the integrity of the business model in the hands of American companies as competitive entities while foreign interests are developing and attempting to seize control of the burgeoning market. Its potential to earn billions for any savvy investor will no doubt attract unscrupulous business practitioners especially the Chinese who are trying (along with the Russians) to corner and control a significant share of the market.

Chinese companies are trying to jump onboard to benefit from all this free money that's been made available to energy resources by offering to build plants stateside as well. The problem with China is its deceptive business model history. Their companies promise jobs and deliver them. However, all the management positions have as a standing order been held by Chinese nationals and all the lower end labor intensive jobs are usually manned by the locals where the plants are located.

To enjoy the funds there is a requirement that a significant percentage of jobs across all levels are held by U.S. workers. China is not going to go for that. What they have traditionally done is initially abide by the rules and slowly but surely usurp the authority of non-Chinese management personnel and insert more Chinese management individuals in decision making positions.

To make things more difficult for the non-Sino workers is their management meetings are conducted in Mandarin or other Chinese dialects. They also observe cultural protocols that limit who can speak in the meetings. What that means is even if you speak the dialects fluently, you're not allowed to submit ideas in the actual meetings. You must submit ideas pre-meetings and have them approved by upper management before they are discussed in the actual sit-downs.

On many occasions submitted ideas (that are deemed worthy of mentioning) are adopted by a Sino representative and touted as his/her idea and the actual person submitting the idea never gets credit for it. Because it is deemed for the good of the whole no-one gets individual credit. That is on the face of it. The reality is the executive who submits the "stolen" idea does get credit for it and is secretly promoted.

Even though China has a significant economic investment stronghold in the U.S. there is a cautionary tale in the ether to avoid letting them in any deeper. OSHA has slapped Chinese companies with lawsuits and penalties galore and it doesn't stop them from continually violating U.S. labor laws.

I look forward to the trial and error phase of the new green energy infrastructure and push land professionals to get in on the ground floor of this forward looking technology. What this thing needs is people with decades of homegrown energy R and D experience who can say do this-don't do that can't you read the signs (to quote Five Man Electric Band).

Get your feet in the doors and try to make this thing work if this is a workable solution. Whether we like it or not the change is in the air. The current electrical grid is not going to hold up under the increasing demand for electricity. We must find a support system that is going to facilitate a smooth enough transition from fossil fuels being the main source of energy use to it being relegated to support the military along with global trade import and exports.

Granted hydrogen is not the be all, end all savior of the energy solution. It is a viable direction. As with any energy model it will experience its ups and down much like the fossil fuel industry has in the past and will in the future. Hydrogen hubs are in their infancy and must be treated like any other new found invention. It must be coddled and coaxed. Establishing a solid foundation will require dedication in earnest.

As sure as I am a card-carrying visionary there will be old schoolers and new schoolers who will attempt to derail this new energy direction for numerous personal or economic reasons. Because of that, caution must be taken to protect this energy source while the technology is developing by writing and enacting protective measures and punishments for those who seek to poison its progress.

Fossil fuel is headed the way of the steam engine. I would not lament John Brown style but recognize its legacy and support its changing place in the new world. A wise man once said, "Since change is inevitable, we must direct the change rather than simply go through the changes." In other words, be on the cutting edge rather than be cut by it.



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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Chevron Pipeline & Power
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Nominations Chair
TBD

Chapter Board Meetings

MARCIA CARLISLE
THE TERMO COMPANY
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.

The LAAPL Board of Directors and Committee Members held a special Board meeting on July 27, 2022, led by Rich Maldonado, President. The topics discussed at the meeting were as follows:

- Jason Downs, Treasurer, gave an update regarding ticket sales for the Mickelson Classic event to be held at the new Top Golf venue in El Segundo on August 25th.
- JR Billeaud, Education Chair, noted the upcoming education events during the Top Golf outing and the WCLI conference.
- There was further discussion of redesigning the LAAPL logo to reflect inclusion of additional land/legal professionals. Joe Munsey has communicated with Sarah Bobbe regarding this update.

Along with the logo redesign, it was recognized that LAAPL must reach out to these alternative professionals to grow our organization. An agreement was made to include speakers that will attract these other professionals.

- All prior tax issues are being resolved.
- There was a request to fill vacant Nominations, Membership and Hospitality chairs.
- The AAPL President dinner and tax invoices were approved.
- The decision was made to prepare Amendments to the Bylaws and forward this to the LAAPL Membership for a vote at the September meeting.

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.



Treasurer's Report

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

As of 5/6/2022, the LAAPL account showed a balance of \$28,682.14

Deposits \$9,465.34

Total Checks, Withdrawals, Transfers -\$3,768.00

Balance as of 9/9/2022 \$34,379.48

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 Member Applicants

Jeffrey L. Farquhar
Senior Land Manager
The Termo Company

James M. Spillers
Manager
The Spillers Group, LLC

Scheduled LAAPL Luncheon Topics and Dates

September 15, 2022

Ben Holliday, Holliday Energy Law Group
"Gas Flaring Regulations and Emerging Technology"

November 17, 2022

Oscar Contreras, SoCalGas: SoCalGas'
"Hydrogen Home Project"

January 26, 2023

[4TH Thursday]

Annual Joint Meeting with
Los Angeles Basin Geological Society

March 16, 2023

Ron Stein, PTS Advance
Energy Literacy and the Future of Energy

May 18, 2023

Jared Berg – Bracewell Law Firm
Topic TBD

Officer Elections

Lawyers' Joke of the Month

JACK QUIRK, JD

Hurrying through Victoria Station to board a train, Prime Minister Churchill was, as usual, bombarded by questions from admirers and detractors. One particularly high-volume inquiry caught his attention. "Mr. Churchill, what advice would you give to a young aspiring politician?" Churchill halted abruptly, and turned back to face the inquirer. "Are you the young man who just now sought my advice?" The visibly shaken, but determined, youth responded, "Yes, Mr. Prime Minister." Churchill grumbled in response, "I would advise such a man to never miss an opportunity to eat, sleep, or use the restroom!"

Presidents Message the DOI will submit a "Final Proposal *continued from page 1* Program" to the White House and Congress. The Program becomes final following a 60-day review by the president and Congress.

Until this new offshore drilling program becomes final, no new lease sales can be held for drilling in U.S. waters.

We look forward to seeing everyone at the luncheon – in-person!

Randall Taylor, RPL

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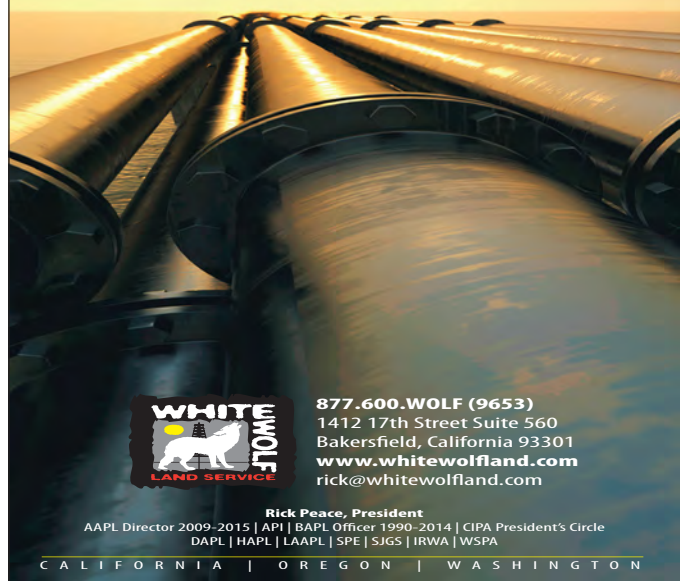
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DAPL | HAPL | LAAPL | SPE | SJGS | IRWA | WSPA

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Chapter President Announces Committee Chairs

Our newly elected Chapter President, Richard “Rich” Maldonado, Managing Partner of Spectrum Land Services, announces his Committee Chairs for the 2022 – 2023 term. The Los Angeles Association of Professional Landmen will be greatly served by the following members:

Legal Counsel	Ernest Guadiana, Esq., Associate, Elkins Kalt Weintraub Reuben Gartside LLP (310) 746-4425 eguadiana@elkinskalt.com
Membership Chair	OPEN
Website Chair	Chip Hoover, Independent (310) 795-7300 – Cell chiphoover@hotmail.com
Education Chair	John R. "JR" Billeaud, RPL, Land Manager, CAL-NRG john.billeaud@CalNRG.com
Publishing/Newsletter Chair	Randall Taylor, RPL, President Taylor Land Service (949) 495-4372 randall@taylorlandservice.com Joseph D. Munsey, RPL, Senior Land Advisor Southern California Gas Company (949) 361-8036 jmunsey@socalgas.com
AAPL Region VIII Director	Jason Downs, CPL Senior Land Representative Chevron Pipeline & Power (310) 669-4005 jasondowns@chevron.com
Legislative Chair	Mike Flores, President Championship Strategies, Inc. (310) 990-8657 mike@championshipstrategies.com
Mickelson Golf Classic Chair	Jason Downs, CPL Senior Land Representative Chevron Pipeline & Power (310) 669-4005 jasondowns@chevron.com
Nominations Chair	OPEN



Elected Officers



OFFICE

ELECTED CANDIDATE

President	Richard “Rich” Maldonado, Managing Partner, Spectrum Land Services ¹
Vice President	Sarah Downs, JD, RPL, Land Advisor, Southern California Gas Company
Past President	Joseph D. Munsey, RPL, Senior Land Advisor, Southern California Gas Company
Secretary	Marcia Carlisle, Lease Analyst, The Termo Company
Treasurer	Jason Downs, CPL, Senior Land Representative, Chevron Pipeline & Power
Director	John J. Harris, Esq, Partner, Casso & Sparks, LLP
Director	Ernest Guadiana, Esq., Partner, Elkins Kalt Weintraub Reuben Gartside LLP
Director	Joseph D. Munsey, RPL, Senior Land Advisor, Southern California Gas Company ²

¹Per 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.

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

2022 West Coast Land Institute - Speakers and Topics

	<h3 style="margin: 0;">SPEAKERS AND TOPICS</h3> <h4 style="margin: 0;">September 28th – 30th, 2022</h4> <p style="font-size: small; margin: 10px 0;"><i>Speakers and topics are in the order of the event schedule but subject to change in the event of speaker cancellation. All presentations are scheduled for 50 minutes with 10 minutes for Q & A, unless otherwise noted.</i></p>
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SPEAKER	COMPANY	TENTATIVE TOPIC
Thursday – September 29, 2022		
Kevin L. Shaw, Esq., Senior Counsel	Mayer Brown LLP Los Angeles	“Paying Quantities and Current Trends Affecting Idle Oil or Gas Wells”
Steve Figgins, Principle	EKI Environment & Water, Inc.	“The Costs of Oil Well Re-abandonment, and the Associated Risks to Property Values”
Orell Andersen, MAI, FRICS, ASA Daniel Adomian	Strategic Property Analytics Inc.	
BREAK		
Rebecca Trujillo, Regulatory Affairs Manager	Chevron U.S.A. Inc.	“Decommissioning of an Offshore Platform”
Luncheon Speaker - Current AAPL President Carl Campbell		
Lawrence Lacombe, Esq., Vice President, Region Underwriter	Old Republic National Title Insurance Company Los Angeles	“Fee Simple Absolute - Not Really Simple and No Longer Absolute”
James M. Spillers, PMP, CPL, CDOA	The Spillers Group	“Contract Drafting: The Path to Best Practice”
BREAK		
Allison C. Smith, Esq, Partner	Stoel Rives LLP	“The Rise of Carbon Capture and Storage and its Role in the Road to Carbon Neutrality in California”
Friday – September 30, 2022		
Andrew S. Graham, Esq., Member	Steptoe & Johnson PLLC	“Doing the Waive: Resolving the Conflicts Between Private Hard-Rock Mining Rights and Renewable Energy Projects”
Rock Zierman, CEO	California Independent Petroleum Association	“Current Regulatory/Legislative Battles and Climate Change”
BREAK		
Dave Kilpatrick <i>(Committed - Awaiting Scheduling)</i>	Kilpatrick Energy Group	“Global Industry Update and Predictions”

LAAPL Topics and Presentations

SARAH DOWNS, JD, VICE PRESIDENT
LAND ADVISOR, SOUTHERN CALIFORNIA GAS COMPANY

We have lined up LAAPL's speakers for the 2022 – 2023 term, which list of speakers are noted in our Scheduled LAAPL Luncheon Topics and Dates section of The Override.

Furthermore, we are searching possible topics for future meetings:

- Aerial Drone Surveys: Topic would cover using aerial drones to survey pipelines.
- When State and Federal Agencies Don't Play Nice: Topic would cover how to defend your rights in various scenarios (defending ingress/egress rights, defending prior rights etc.)
- The Nuances of Trespassing: Topic would cover when trespassing can occur under different conditions (i.e., drone surveys, when do you need to notify owners or request consent, environmental surveys and trespass, licensed surveyor exception)
- Buying Property in the Metaverse: Topic would cover What a chain of title would look like, do you need to be a licensed real estate agent? and the lack of law protecting metaverse property owners.

For other possible topics feel free to reach out to me with your "wish list" or suggestions at sedowns@socalgas.com or call me at (213) 218 -5465.

LAAPL Receives Award

LAAPL's rightful birthright of the Best Newsletter Award [small chapter association category] was returned to its home at AAPL's Annual Meeting in Chicago. Even the storied Chicago political machine had "nut'n" to do with AAPL's voting machine mechanics how the votes were tallied in the end. We are grateful to Randall Taylor, RPL, of Taylor Land Service, Inc., Co-chair of the Publication/Newsletter, for all his efforts throughout the year publishing this fine communication tool.



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Career Achievement Highlight

**JOHN R. "JR" BILLEAUD, RPL, LAND MANAGER,
CALIFORNIA NATURAL RESOURCES GROUP, LLC**

A very special congratulations to LAAPL's very own, **Sarah Downs**, on passing the California Bar Exam in May this year and being sworn in/admitted to the California State Bar in June. Sarah is currently serving as Vice President of LAAPL and is a Land Advisor for Southern California Gas Company. In addition to serving LAAPL, Sarah is also Treasurer of the local IRWA chapter (Chapter 67).

Prior to becoming a licensed attorney in California, Sarah attended San Diego State University for undergraduate studies, graduating in 2005 with a degree in Criminal Justice. SDSU also happens to be the place where she met her husband, Jason. In 2016, Sarah attained her Juris Doctorate from Whittier Law School with a concentration in Environmental Law. Born and raised in Pico Rivera, CA, Sarah was the first of her family to graduate from college and law school. Growing up in Pico Rivera, Sarah remembers as a young girl passing by an oil field with a bunch of pumpjacks and wondering what they were – it was the Montebello Oil Field. You could say her interest in the oil and gas industry started at a very young age. A "twist of fate?" - Sarah would eventually be contracted by Southern California Gas Company for a title project for its East Whittier Field and West Montebello Field.

Shortly after graduation from SDSU, Sarah began her career as a contract landman working the Ark-La-Tex region. She then relocated to Bakersfield in 2009 for contract land work around which time she began her involvement in LAAPL, serving as Treasurer of the association from 2010 - 2016.

In 2010, Sarah started her own land services company, Downchez Energy, Inc., with her husband, Jason, where Sarah worked until joining Southern California Edison Company in 2018. At SoCal Edison, Sarah managed a portfolio of fee properties in Orange County and the Long Beach area. Sarah then moved on to join Southern California Gas Company in 2019, where she remains today and serves as an expert in Land for construction projects, overseeing several contractors and up to 40 projects at a time.

Sarah and Jason reside in Long Beach, CA and have two children, Audrey (9) and Miles (4). In her spare time, Sarah enjoys reading and cheering for the 2020 World Series Champion Dodgers.

Sarah credits her law degree with enabling her to achieve her goal of landing a company landman job as well as developing core competencies of time management and risk evaluation, among other disciplines. Attaining a law degree while working and parenting two kids is a tremendous accomplishment, and we are all so very proud of Sarah. For those members currently working in a land-related field and considering a law degree to advance their careers, Sarah would be a great resource for any relevant questions.



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AAPL's Mission Statement
Our mission is to promote the highest standards and ethics of performance for all land professionals and to encourage sound stewardship of all energy and mineral resources.

AAPL Director Report

Quarterly Board Meeting

9/11/22

Phoenix, Arizona

Name: Jason Downs, CPL

Company: Chevron Pipeline & Power

Email: jasondowns@chevron.com

Local Association Name: Los Angeles Association of Professional Landmen

45	Total Local Association Members
28	Total Active ("Land Professionals") AAPL Members within your Association

Association projects/activities: SCHEDULED LAAPL LUNCHEON & EVENT DATES:

- Mickelson "Top" Golf Classic and Field Landman Seminar, Thursday August 25th. Top Golf El Segundo.
- West Coast Landmen's Institute San Diego, Marriott Marquis & Marina, September 28-30th, 2022.
- 2023 Annual Meeting Huntington Beach, Hyatt June 14-17th, 2023.
- Luncheons
 - September 15th: Ben Holliday, The Energy Law Group: Gas Flaring Regulations and Emerging Technology
 - November 17th: Oscar Contreras, SoCalGas: SoCalGas' Hydrogen Home Project
 - March 16th: Ron Stein, PTS Advance: Energy literacy and the future of energy
 - May 18th: (*penciled in*) Jared Berg – Bracewell Law Firm, Topic TBD

Association requests/concerns:

- Los Angeles recommends AAPL staff reach out to the California Oil & Gas Associations (CIPA & WSPA) along with local Public Affairs folks for the upcoming 2023 Annual meeting in Huntington Beach.
- Looking forward to working with the Annual Meeting Committee and the Education Committee for 2023 Huntington Beach planning.

Local news including business activity:

- Independent work in the LA Basin is minimal with a few Landmen working site specific projects and/or quasi-in-house roles. Broker rate \$50-\$120 an hour with seasoned Landmen charging a premium. Remainder of Landmen hold in-house positions.

Bylaws & Policy suggestions:

- N/A

LAAPL Education Report

SEPTEMBER – DECEMBER 2022

JOHN R. “JR” BILLEAUD, RPL, LAND MANAGER, CALIFORNIA NATURAL RESOURCES GROUP, LLC
EDUCATION CHAIR

September

Event	Dates	Location	Speakers	Credits
Solar Lease Fundamentals	September 13, 2022	Live Webinar	Phillip Guerra, CPL	3 CEU
Navigating Mineral & Royalty Disputes	September 14, 2022	Live Webinar	Robert 'Eli' Kiefaber	1 CEU
LAAPL September Luncheon	September 15, 2022	Long Beach, CA	TBD	1 CEU
AAPL RPL/CPL Certification Exam Review - DFW	September 21-23, 2022	Dallas-Ft. Worth	Curtis D. Horne, Dorsey T. Roach, and Thomas M. Rucker II	18 CEU; 1 CEU Ethics
Royalty Deductions	September 26, 2022	Live Webinar	Marlin K. Brown	3 CEU
Over and Under Payment of Royalties	September 28, 2022	Live Webinar	Robert 'Eli' Kiefaber	1 CEU
West Coast Land Institute	September 28-30, 2022	San Diego, CA	Mike Flores, Kevin L. Shaw, Lawrence Lacombe, Steve Figgins, Orell Anderson, Daniel Adomian, Rebecca Trujillo, Dan Kramer, Mark L. Monin, Rock Zierman, Dave Kilpatrick, Andrew S. Graham, Allison C. Smith.	9 CEU (Anticipated)
Due Diligence	September 30, 2022	TBD	A. Frank Clam	5 CEU

October

Event	Dates	Location	Speakers	Credits
AAPL's Code of Ethics and Standards of Practice - IV	October 5, 2022	Live Webinar	TBD	1 CEU Ethics
AAPL RPL/CPL Certification Exam Review - OKC	October 12-14, 2022	Oklahoma City	A. Frank Clam, Owen M. Barnhill and S. Scott Prather	18 CEU; 1 CEU Ethics
Solar Lease Fundamentals	October 18, 2022	Live Webinar	Phillip Guerra, CPL	3 CEU
Into the Digital Pipeline: Intersection of Natural Gas Flaring and Cryptocurrency Mining	October 19, 2022	Live Webinar	TBD	1 CEU
Joint Operating Agreements	October 27, 2022	Live Webinar	Dorsey T. Roach	7 CEU
Solar Lease Fundamentals	October 29, 2022	Live Webinar	Phillip Guerra, CPL	3 CEU

LAAPL Education Report - Continued

SEPTEMBER – DECEMBER 2022

JOHN R. “JR” BILLEAUD, RPL, LAND MANAGER, CALIFORNIA NATURAL RESOURCES GROUP, LLC
EDUCATION CHAIR

November

Event	Dates	Location	Speakers	Credits
Held By Production and Royalty Issues	November 1, 2022	Live Webinar	Robert 'Eli' Kiefaber	6 CEU
Suspension of Payments and Escheat	November 2, 2022	Live Webinar	Robert 'Eli' Kiefaber	1 CEU
Surface Use and Access	November 4, 2022	Evansville, IN	George R. Shultz	6 CEU
AAPL RPL/CPL Certification Exam Review - Midland, TX	November 9-11, 2022	Midland, TX	Curtis D. Horne, Dorsey T. Roach, and Thomas M. Rucker II	18 CEU; 1 CEU Ethics
Managing Your Lease When Production Ceases	November 16, 2022	Live Webinar	Robert 'Eli' Kiefaber	1 CEU
Due Diligence	November 17, 2022	TBD	A. Frank Clam	5 CEU
Royalty Deductions	November 21, 2022	Live Webinar	Marlin K. Brown	3 CEU
Solar Lease Fundamentals	November 29, 2022	Live Webinar	Phillip Guerra, CPL	3 CEU

December

Event	Dates	Location	Speakers	Credits
Understanding Petroleum Economics	December 1, 2022	TBD	TBD	7 CEU
AAPL RPL/CPL Certification Exam Review - Houston, TX	December 7-9, 2022	Houston, TX	TBD	18 CEU; 1 CEU Ethics
Working Interest and Net Revenue Interest Calculations - Basic	December 13, 2022	TBD	Douglas M. Potter	6 CEU
Working Interest and Net Revenue Interest Calculations - Basic	December 14, 2022	TBD	Douglas M. Potter	6 CEU

Legislative Update

BY MIKE FLORES
CHAMPIONSHIP STRATEGIES, INC



Update on Relevant Energy Bills. [National Law Review](#)

On August 31, 2022—the last day of the 2022 legislative session—California legislators passed a package of climate bills aimed at reducing statewide emissions, stimulating the carbon capture industry, and implementing buffers between communities and oil and gas developments. The bills include \$54 billion in climate-related spending and come on the heels of other state and federal efforts to reduce carbon emissions across many sectors of the economy.

The package contains the following bills:

AB 1279, which codifies California’s existing goal of carbon neutrality by 2045.

AB 1757, which requires the state Natural Resources Agency to establish targets for natural carbon sequestration and nature-based climate solutions.

SB 846, which authorizes the Diablo Canyon nuclear power plant to continue operations until December 31, 2030, and provides Pacific Gas & Electric Company (“PG&E,” the plant’s operator) with a \$1.4 billion loan to help facilitate those operations. While Diablo Canyon was originally going to be retired by 2025, many saw Diablo Canyon’s 2,256 MW as critical for providing carbon-free power during the afternoon and evening ramp.

SB 905, which directs the California Air Resources Board (“CARB”) to establish a program to evaluate the efficacy, safety, and viability of carbon capture, utilization, or storage (“CCUS”) and carbon removal technologies. The bill also requires CARB to adopt various regulations governing CCUS and carbon removal projects, including a unified permit application for such projects and measures to minimize leakage from carbon storage reservoirs.

*[Legislative Update](#)
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Legislative Update
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SB 1020, which sets interim targets regarding retail sales of electricity. Current law requires 100 percent of all energy sales to California end-use customers to be supplied by eligible renewable energy sources or zero-carbon resources by 2045. SB 1020 sets interim targets of 90 percent by 2035 and 95 percent by 2040. SB 1020 also requires state agencies to source 100 percent of their energy from eligible renewable or zero-carbon resources by 2035—ten years earlier than the current target.

SB 1137, which establishes 3,200-foot buffer zones between oil and gas facilities or wells with a wellhead and facilities that qualify as “sensitive receptors,” including private homes, schools, community centers, nursing homes, hospitals, and prisons.

Legislators failed to pass **AB 2133**, which would have made stricter California’s emissions reduction goals (raising from 40 percent to 55 percent the reduction below the state’s 1990 emissions levels that California would have to meet by 2030).

Each bill now goes to Governor Gavin Newsom to sign by September 30, 2022, which he is expected to do after **publicly advocating for them** earlier in August.

Activist Investment Firm Pushes California Oil and Gas Producer to Curb Oil and Gas Production. *Daily Caller*

Kimmeridge Energy Management Company, an energy investment firm focused on advancing net zero emissions targets, owns a stake in California Resources Corporation, an oil and gas producer, and is pressuring the energy company to curb its production to increase its profits, Reuters reported. The activist investment firm owns more than three million shares in California Resources, representing about a 4% stake, and is in discussions with the company’s management in recent weeks about how to increase its valuation, sources told Reuters. Kimmeridge is encouraging California Resources to divest from its Huntington Beach oil and gas properties in Orange County, which it believes could be worth around \$800 million if the land is sold to real estate developers.

House Passes Landmark Climate Bill, Sending it to Biden. *E&E News*

The House this afternoon passed sweeping clean energy, tax and health care legislation, sending the

Legislative Update
continued on page 14

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*Legislative Update
continued from page 13*

biggest climate bill in U.S. history to President Joe Biden's desk. In a 220-207 vote, House Democrats cleared the final hurdle on the "Inflation Reduction Act," capping off more than a year of pained negotiations on the budget reconciliation package. "This is the largest investment in clean energy and climate solutions ever in U.S. history, and it comes at a crucial time," Rep. Kathy Castor (D-Fla.), chair of the Select Committee on the Climate Crisis, said on the floor today. The bill contains \$369 billion in climate investments, including long-term extensions of clean energy tax credits and a host of incentives for technologies like nuclear, hydrogen, carbon capture and battery storage. Independent analysts expect it to reduce emissions roughly 40 percent by 2030. Note: Oil & Gas Journal also reports.

Oil Companies See "Net Positive" in Climate Bill. *E&E News*

Oil and gas executives are finding a lot to like in the Senate climate and energy bill, though they are still opposed to some provisions. The "Inflation Reduction Act," negotiated by Democratic Sens. Chuck Schumer of New York and Joe Manchin of West Virginia, is aimed at cutting U.S. greenhouse gas emissions by promoting cleaner forms of energy. At Manchin's urging, though, it would require the government to offer oil and gas leases on federal land and in the Gulf of Mexico, albeit at a higher royalty rate. It also provides tax incentives for projects that capture carbon dioxide and new forms of energy like hydrogen. The downside for the oil industry is a required minimum tax rate and a new fee on emissions of methane, a potent climate-warming gas that's a major source of pollution in the oilfield.

New Oil and Gas Drilling Paused on Federal Land in SLO County. Here's Why. *The Tribune*

New oil and gas leasing on federal land in San Luis Obispo County and other parts of California is paused while the U.S. Bureau of Land Management re-evaluates the environmental impacts of such activities. The BLM is required to prepare a supplemental environmental impact statement for the proposed new oil and gas drilling leases after it reached a settlement agreement on July 31 with the California Department of Justice and several environmental organizations. The settlement agreement arose out of a lawsuit filed by the state and environmental organizations after the BLM found in 2019 that its proposed oil and gas drilling leases for its Bakersfield field office area could go forward. That office's jurisdiction encompasses areas of San Luis Obispo, Santa Barbara, Kern, Kings, Ventura, Tulare, Fresno and Madera counties.

California Cities Ban New Gas Stations in Battle to Combat Climate Change. *Forbes*

*Legislative Update
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Legislative Update
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Without realizing they were starting a movement in green energy policy, leaders of a small Sonoma Valley city seem to have done just that when they questioned the approval process for a new gas station — eventually halting its development and others in the future. “We didn’t know what we were doing, actually,” said Petaluma Councilwoman D’Lynda Fischer, who led the charge last year to prohibit new gas stations in the city of 60,000. “We didn’t know we were the first in the world when we banned gas stations.” Since Petaluma’s decision, four other cities in the Bay Area have followed suit, and now, leaders in California’s most car-centric metropolis are hoping to bring the climate-conscious policy to Southern California. “It’s really up to cities to turn around climate change,” said Andy Shrader, Director of Environmental Affairs for Los Angeles City Councilman Paul Koretz, who proposed L.A. work toward its own ban on new gas stations.



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2022 MICKELSON GOLF CLASSIC



**Jason Downs, CPL, Senior Land Representative
Chevron Pipeline & Power
Golf Tournament Chair**

The 18th Annual LAAPL Mickelson Golf Classic was held on Thursday, August 25th at Top Golf El Segundo and was another major success benefiting the R.M. Pyles Boys Camp “Pyles”.

With the generosity of those who came out in support, the Los Angeles Association of Professional Landmen are happy to announce it will contribute the entirety of the tournament net proceeds to Pyles in the amount of \$871.11

36 LAAPL members and guests enjoyed a perfect day at Top Golf, located in El Segundo, California.

Our first-place team was sponsored/lead by Paul Langland of E & B Resources. The team included ringers in Jonah Williams, Ed Kolenda, Devin Rogers and Greg Bingham.

Of course, the young men who attend the R.M. Pyles Boys Camp were the real winners of the day, thanks to the generous contributions of southern California’s professional landmen and their respective employers who sponsored this year’s LAAPL charity golf event. The LAAPL Membership and Golf Committee extend their sincere appreciation and gratitude to each and every sponsor, attendee, and volunteer for their support and generous contributions to this year’s fundraiser.



Established in 1949 by Mr. Pyles, a Huntington Beach oilman, R. M. Pyles Boys Camp is dedicated to the task of building healthier and happier generations of productive young Americans, firmly endowed with the ideals and principles of this Nation. Pyles Boys Camp gives a new confidence in life through a high quality and challenging High Sierra wilderness camp experience. R.M. Pyles Boys Camp continues to follow up with year-round programs to support and reinforce values learned at camp.



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Founded in 1949 by oilman Bob Pyles, the camp is supported by special fundraising events and by contributions from individuals, corporations, foundations and service organizations in each of the local area we serve in Southern California. During that time countless men women from Southern California have given of their time and resources to help boys become good and productive citizens we are extremely proud of our success and recognize that it is only made possible by people who have faith in our ability to change boys' lives forever.

We ask that you join other individuals, businesses and foundations that want to make a difference in their community by annually sponsoring one or more boys.



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If you want to donate or have any questions, please contact our Executive Director, Stan "Coach" Moe

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Case of the Month - Right of Way

SUMMARY OF MAJOR EMINENT DOMAIN CASES & LEGISLATION: JANUARY 1, 2022 - MAY 31, 2022



*Bradford Kuhn, Esq., Partner
Jillian Friess Leivas, Esq., Associate
Law Firm of Nossaman LLP*



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In the most recent [biannual report](#) from the Real Estate Law Committee of the International Right of Way Association, we collaborated with Robert Thomas and Ajay Gajaria to examine numerous cases at local, state and federal levels from January to the end of May 2022 that are of interest for professionals in the right-of-way industry.

In the report we also take a brief look at pending, failed and adopted legislation, while also providing updates on federal funds that have been or have yet to be allocated through the recent Infrastructure Bill. The report also provides a breakdown of similarly notable cases in Canada, further demonstrating a shifting global and socio-political importance in the expansion of eminent domain law.

The report showcases fundamental reasons why developers, owners and other related entities should pay close attention to the developing field, notably giving examples in right-of-way and condemnation, as well as updates to quick-take procedures and processes of valuation. Profitability and losses can be more readily determined with the increase in legislation, which is ultimately what the report sheds light on – a shift to a more cognizant market force.

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Allocation Wells Part I

By Alyce Boudreaux Hoge, Esq.

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Alyce Boudreaux Hoge is an attorney licensed in Texas and Louisiana. She has practiced energy and mineral law for the past 30+ years. The founder of Land Training LLC, she also teaches the Professional Land Management and Division Order Certificate Programs at Midland College in Midland, Texas. Previously, she has taught PLM programs at the University of Texas (PETEX) and the University of Houston. A native of Louisiana, Alyce is fond of saying she gives “legal advice with Cajun spice.”

We are often asked what are Allocation Wells and how is royalty calculated in one for division order purposes? In Part I of a three Part Series, we will answer these questions beginning with what is an allocation well?

What is an Allocation Well?

An allocation well is a type of horizontal well that allows a lessee with a 100% working interest in two or more adjacent tracts to drill a well that traverses (and produces from) each tract. For a lessee, one benefit of an allocation well is that no pooling authority is required even though each tract may be owned by different lessors (mineral owners).

What’s the difference between an Allocation Well and a Production Sharing Agreement (PSA) Well?

First, it’s important to recognize that often attorneys may use the term Allocation Well to refer to both Allocation Wells and PSA wells, but there are distinct differences. Second, both the Allocation Well and the PSA well are designations of the Texas Railroad Commission (RRC), the administrative body in Texas tasked with regulating railroads and other transportation carriers like pipelines, and thus oil and gas. A PSA is an agreement between the parties that specifies how production is to be allocated. The RRC requires 65% of all interest owners to agree to a PSA before it will approve a permit for a PSA well. Often, this is difficult or impossible to attain.

The RRC granted the first Allocation Well permit in 2010 to Devon. Devon attempted to secure a PSA from its interest owners but lacked the requisite 65% approval. Nevertheless, Devon still applied for the permit but labeled the well as an Allocation Well and the RRC approved the permit. With that was born the Allocation Well which required no approval (as in ZERO) from interest owners. So, in an Allocation Well, there is no PSA and no requirement of approval by the interest owners.

How are royalties calculated in an Allocation Well?

First, let’s look at how royalty is calculated in traditional pooling to fully comprehend the distinction in the two formulas. In a pooled unit, royalty payments are calculated based on a tract participation factor (TPF). The TPF formula is the number of the lessor’s lease acres included in the unit as the numerator and the total number of acres in the unit as the denominator:

Pooling Royalty Calculation	$\frac{\text{Number of lessor's lease acres included in the unit}}{\text{Total number of acres in the unit}}$
--------------------------------	---

Instead of a TPF, in an allocation well, royalty payments are calculated based on an allocation factor. That is, a formula is used that purports to quantify what production is attributable to each tract. Typically, that formula is productive lateral length of the horizontal wellbore on lessor’s tract(s) as the numerator and the total horizontal wellbore length as the denominator.

Allocation Royalty Calculation	<u>Lateral length of horizontal well bore on lessor's tract</u> Total horizontal wellbore length
-----------------------------------	---

Why isn't pooling required if each tract has different ownership?

According to the RRC, the reason pooling is not required in an Allocation Well is that a horizontal well is treated as a vertical well for purposes of the oil and gas lease. In other words, under the terms of a typical lease, a lessee has the option to drill a vertical well on any tracts he's leased, even if the tracts are adjacent to one another. A horizontal well is treated as if it's a vertical well so that, even though it can traverse lease lines, each tract is treated as if it holds a single vertical well.

Part II will be published in the next issue of *The Override*.

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Reference Sources and Suggested Reading

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7. POOLING WITHOUT POOLING: THE HISTORY OF PSA AND ALLOCATION WELLS IN TEXAS Lance B. Joiner, Joiner Law PC League City, Texas www.joiner-law.com [landtraining.us17.list-manage.com]



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Bibikos' At the Well Weekly Roundup

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Mr. Bibkos practices as GA Bibikos, LLC, an oil and gas law practice, with his office in Harrisburg, PA. He can be reached at gbibikos@gabibikos.com.

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

Interesting

- **Mountain Valley Pipeline [Update].** After **losing** various battles in federal court and heading back to the drawing board, **both** FERC and state authorities **defended new permit** applications for MVP's project and recently asked for an extension to complete the project in the next four years even though the company plans to go online by 2023.
- **Mariner East [Update].** The Mariner East pipeline is helping boost **LNG exports to Europe** where demand is high as a result of the Russia-Ukraine conflict.
- **Northern Access Pipeline.** FERC **granted** NFG **more time** to complete the Northern Access Pipeline from PA to NY.
- **Nexus Gas Transmission.** The D.C. Circuit **upheld** a certificate of public convenience issued by FERC to NEXUS Gas Transmission to construct and operate a gas pipeline **from Ohio to Michigan**.
- **New York Cites Climate Law to Block Power Plants.** A New York **state judge** has held that state agencies **can block permits for fossil-fuel-fired power plants** even before formal rulemaking is in place, holding that the state's climate change protection law calls for urgent action. *Danskammer Energy, LLC v. NYDEC*, --- N.Y.3d ----, 2022 N.Y. Slip Op. 22182, 2022 WL 2092580 (N.Y. Sup. Ct. June 8, 2022).
- **Fed. Court in Mont. Says Keystone XL Dispute is Moot.** A federal court in Montana dismissed as moot **any remaining claims involving the Keystone XL Pipeline project**, holding that "there no longer exists any pipe that can be removed, the right-of-way permits will be disposed of following remediation, and **the Presidential Permit** will not be reinstated by the Southern District of Texas" and despite prior rulings keep the case alive these developments dictate that the court could no longer provide any meaningful relief. *Indigenous Env. Network v. Trump*, --- F. Supp. 3d ----, No. 4:19-CV-00028-BMM, 2022 WL 742469 (D. Mont. Mar. 11, 2022).
- **Colorado Supreme Court Agrees with PUC that Gathering Company is not a Public Utility.** The Colorado Supreme Court held that the definition of "public utility" **does not include a gas-gathering system** that gathers raw gas for processing **without also supplying** gas to the public. *Danks v. Colorado Pub. Utilities Comm'n*, --- P.3d ----, No. 21SA265, 2022 WL 2112965 (Colo. June 13, 2022).
- **FERC has Jurisdiction over a 75-Foot LNG Pipe.** The D.C. Circuit **upheld FERC's jurisdiction over** an LNG handling facility, which sent portion of LNG that it received from a **floating storage unit** to an abutting power plant **via a 75-foot pipe**, declining to disturb FERC's conclusion that the 75-foot pipe satisfied the pipeline requirement to be an LNG import terminal subject to FERC's jurisdiction under Natural Gas Act. *New Fortress Energy Inc. v. FERC*, --- F.4th ----, No. 21-1122, 2022 WL 2125074 (D.C. Cir. June 14, 2022).

Bibikos
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Headlines & Holdings – Appalachia

- **PA Superior Court Says Phrase “Gross Proceeds at the Well” in O+G Royalty Clause is Ambiguous.** In a dispute over whether a lessee may deduct the lessor’s share of post-production costs from royalties under a gross-proceeds-at-the-well lease, the Pennsylvania Superior Court concluded that **this type of royalty clause is ambiguous** and remanded for further findings on (a) whether those words have an accepted industry meaning; (b) the intent of the original parties to the lease; (c) whether the lessee sold gas at the wellhead; (d) the parties’ course of performance; and (e) any other relevant factors. *Dressler Family, LP v. PennEnergy Resources*, --- A.3d ----, No. 635 WDA 2021, 2022 PA Super 77, 2022 WL 1282693 (Apr. 29, 2022).
- **Federal Court in PA Addresses Dispute over Unpaid O+G Lease Bonus.** A federal court in Pennsylvania revisited a prior decision **in a now-decertified class action** alleging failure to pay bonus payments to prospective oil and gas lessors, **rescinding the court’s prior decision** in part and concluding that, in a case alleging breach for failure to pay bonus before cancellation of leases, **the lessors need not prove good title in the first instance** to show wrongful cancellation but that in this case the lessee’s express cancellation of the leases and related documents served as a sufficient manifestation of an intent to rescind those agreements. *Walney v. SWEPI LP*, --- F. Supp. 3d ----, No. CV 13-102, 2022 WL 976393 (W.D. Pa. Mar. 31, 2022).
- **Federal Court in Ohio Says Operating Costs for “Paying Quantities” Analysis Doesn’t Include the Market Value of “Free Labor.”** A federal court in Ohio addressed a dispute over whether a well-produced “in paying quantities,” the general rule being that **a well must generate a profit** (however small) over operating costs to keep a lease alive in the secondary term, **and held** that the value of **“free labor” should be excluded** from operating costs. *Sound Energy Co., Inc. v. Ascent Resources – Utica, LLC*, --- F. Supp. 3d ----, No. 2018-CV-1771, 2022 WL 912247 (S.D. Ohio Mar. 29, 2022).
- **Ohio Bank Court Says Owner of Subsurface O+G Can’t Mortgage the Surface Estate.** A bankruptcy court in Ohio **held that an oil/gas owner or lessee has no right to mortgage the separate surface estate**, rejecting claims by the owner/lessee that the traditional surface use and easement rights attendant to the subsurface estate do not go so far as to give the subsurface owner the right to mortgage the overlying surface estate. *In re: Murray Energy Holdings Co.*, --- B.R. ----, No. 19-56885, 2022 WL 970340 (Bankr. S.D. Ohio Mar. 31, 2022).
- **Ohio Court Says After-Acquired Mineral Estate is Subject to Pre-Existing Mortgage.** A court of appeals in Ohio held that **subsequently acquired mineral rights** became subject to a pre-existing mortgage that applied to **after-acquired property** given that minerals in place are real property interests in Ohio and therefore properly subject to foreclosure and subsequent sheriff’s sale upon default of the mortgage. *Shamrock v. Cobra Resources, LLC*, --- N.E.3d ----, NOS. 2020-T-0075, 2020-T-0076, , 2022-Ohio-1998, 2022 WL 2113592 (Ohio Ct. App. June 13, 2022).
- **West Virginia Federal Court Interprets Phrase “in and under” as Mineral Interest Reservation.** Interpreting a mineral deed, a federal court in West Virginia concluded that a conveyance of oil and gas **“reserves in and under property hereby reserved,”** without qualification, along with a reference to a 50-acre tract and a 250-acre tract, created a reservation of mineral rights under all of the surface property conveyed. *Cofield v. Antero Resources Corp.*, --- F. Supp. 3d ----, No. 21-0164, 2022 WL 1715170 (W. Va. May 27, 2022).

Headlines & Holdings - Beyond Appalachia

- **Fifth Circuit Revises Louisiana Lease-Busting Bid Based on Landman’s Mistake.** The Fifth Circuit revived a lawsuit alleging that a **bank’s landman** working for the plaintiffs **mistakenly extended** an oil and gas lease to cover the **entire property instead of a portion** thereof and thereby cost the landowners **\$27 million in potential royalties** on production from what the

landowners thought was unleased land, finding that the trial court erred in concluding that the bank is shielded from liability under an exculpatory clause. *Franklin v. Regions Bank*, --- F.4th ----, No. 21-30324, 2022 WL 2128644 (5th Cir. June 14, 2022).

- **Federal Court in North Dakota Applies Duhig Rule to Overconveyance.** A federal court in North Dakota applied its version of the “*Duhig Rule*.” That rule applies when a grant and a reservation of mineral interests result in an over conveyance that can’t be satisfied because the grantor does not own enough of the mineral estate. When that occurs, the court resolves the over conveyance in favor of the grantee. In this case, the court concluded the owner of a one-half mineral interest who purported to convey a ¾-interest to the grantee and reserve a ¼-interest for himself resulted in a transfer of the entire ½ of the mineral estate to the grantee, leaving nothing left for the grantor’s reservation. *N. Oil & Gas Inc., v. EOG Res. Inc.*, --- F. Supp. 3d ----, No. 1:16-CV-388, 2022 WL 1166057 (D.N.D. Apr. 20, 2022).
- **Kansas Supremes Reject Attempt to Re-Litigate O+G Marketing-Covenant Claims under Law-of-the-Case Doctrine.** The Supreme Court of Kansas reiterated its previous holdings in *Fawcett v. Oil Producers, Inc. of Kansas*, 302 Kan. 350, 352 P.3d 1032 (2015) (*Fawcett I*) that (a) a lessee can satisfy its implied duty to market gas when gas is sold at the wellhead and (b) a lessee may share costs with royalty owners for any necessary post-sale, post-production processing and concluded in this case (*Fawcett II*) that the class plaintiffs’ attempt to re-litigate marketing-covenant claims fails under the law-of-the-case doctrine. *Fawcett v. Oil Producers Inc. of Kansas*, --- S.W.3d ----, No. 120,611, 2022 WL 1123368 (Kan. Apr. 15, 2022).
- **Texas Federal Court Dismisses Shareholder Suit against Cabot/Coterra.** A federal court in Texas dismissed claims advanced by shareholders of Cabot Oil & Gas Corp., n/k/a Coterra Energy, holding that the pleadings did not suffice to show that company executives and members of its Board of Directors knew about repeated violations of environmental laws, regulations, and consent orders in Appalachia but failed to address the violations and then made statements about compliance that harmed the company, but the court granted the plaintiffs leave to amend to correct the deficiencies. *In re Cabot Oil & Gas Corp. Derivative Litigation* --- F. Supp. 3d ----, No. CV H-21-2046, 2022 WL 991999 (S.D. Tex. Mar. 31, 2022).
- **Texas Court Says that a Corrective O+G Deed is Valid and Enforceable.** A court of appeals in Texas held that a corrective deed that cured the parties’ mutual mistake of failing to include a reservation of oil and gas rights is valid and enforceable. *Endeavor Energy Res., LP v. Trudy Jane Anderson Testamentary Tr. by & Through Anderson*,--- S.W.3d ----, No. 11-20-00263-CV, 2022 WL 969542 (Tex. App. Mar. 31, 2022).
- **O+G Well Contamination Case in Texas Barred by Statute of Limitation.** A court of appeals in Texas held that the state’s statute of limitation barred a contamination claim against a well operator after determining that the cause of action accrued when the plaintiff discovered evidence of sand, soil, oil, and saltwater residue from tanks at the well site in 2015 yet didn’t sue until after the statute lapsed. *Ali Mustafa v. Americo Energy Resources, LLC*, --- S.W.3d ----, No. 14-20-00202-CV, 2022 WL 1092221 (Tex. App. Apr. 12, 2022).
- **Oklahoma Supreme Court Says Insurer has Duty to Defend Earthquake Claims.** The Oklahoma Supreme Court held that an insurance company must defend an oil and gas company in a suit alleging property damage from seismic activities caused by operations and rejecting the insurer’s argument that the pollution exclusion applies. *Crown Energy Co. v. Mid-Continent Casualty Co.*, --- P.3d ----, No. 116989, 2022 OK 60, 2022 WL 2128667 (Okla. June 14, 2022).