

TOP STORIES:



PRESIDENT'S NOTE
Jason Sebastinas



HALF-DAY SEMINAR
Sam Kneislev



GOLF TOURNAMENT
Randv Helms



CCRAWFISH BOIL
Tonv Patterson

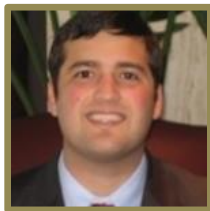


MEMBERSHIP
Will Holstein



FALL 2019 – NHAPL CHARITY LUNCHEON
FALL 2019 – AAPL PRESIDENTIAL LUNCHEON
FALL 2019 – NHAPL SPORTING CLAY SHOOT
AND MUCH MORE!

From the President's Desk



What a year it has been! As my term as NHAPL President comes to a close, I wanted to take a moment and thank our board, sponsors and more importantly our members for the contributions in making this year a huge success. Coming into spring we continued with the strong momentum carried over from the Fall. The strong momentum equated to several AAPL awards for NHAPL. Announced at the March Directors meetings in Las Vegas and to be presented at the AAPL Annual Meeting, NHAPL walked away with 3 awards:

- AAPL's Largest Percentage of AAPL Membership: Medium Association (98%)
- AAPL's Largest Growth Percentage: Medium Association (21%)
- AAPL's Best Newsletter: Medium Association

I can't say how proud I am for NHAPL for these great accomplishments.

In addition to the AAPL awards, locally, we had great turnout at events. Everything from the luncheons, to the Crawfish Boil, Golf Tournament and Half-Day Seminar were managed by the board and attended by the membership, very well. I would like to thank everyone and importantly, our sponsorships, for making these events a possibility. With our carried over momentum, I am also proud to announce, NHAPL was able to increase its financial position by about 20% from when I started in July of 2018. This will allow the NHAPL to provide more and give back to its membership in the coming years.

I would also like to congratulate our 2019 scholarship recipients. Samuel Jackson, an Energy Management major from Oklahoma University, and Cameron Holman, and Energy Commerce major, from Texas Tech University were awarded a \$1,000 scholarship, each, based on their academics, community involvement, self-motivation and their aspirations in the landman community. We wish you well and success in the landman community.

Thank you to everyone for helping me along my journey as President of NHAPL!

Jason Sebastinas, RPL

NHAPL President

2019 NHAPL – Half Day Seminar | Anadarko, The Woodlands, TX



After some technical difficulties with the original start date, the Half-Day Seminar was graciously hosted at Anadarko's Allison Tower on May 9th, and included speakers from Steptoe & Johnson, Drilling Info, ThoughtTrace, and Kirby, Mathews & Walrath. Around 25 members showed up to listen and discuss a review of 2018 Case Law; get an update on A&D Activity with a deep dive into the Chevron/Oxy/Anadarko deal; learn how Artificial Intelligence is changing the landscape of Due Diligence and Land Administration; and pick up an Ethics Credit. True to its standard of great gifts, each of the speakers was given a gift card to Specs as a thank you for their assistance and contribution to our event, alongside a hearty applause.

Freebirds catered the luncheon, as members caught up with each other and swapped stories of disgruntled landowners, hard won agreements, and the changing landscape of the industry post 2015. It was a fun and educational event, and all of the members and guests enjoyed themselves. Afterwards, a handful of attendees were able to meet up at Bar Louie for a couple of drinks and the revelry continued on!

NHAPL is thankful for it's great sponsors, including Kirby, Mathews & Walrath, Holland Land Services, TEAM Inc, and National Landworks

Sam Kneisley

NHAPL Secretary

Annual Spring Golf Tournament | Augusta Pines Golf Course



The 2019 NHAPL Spring Member Guest Golf Tournament was held on Monday April 15th at Augusta Pines Golf Course. It was the largest tournament to date since the NHAPL tournament first teed off. The weather was a perfect sunny 72 degree day with no clouds in the sky and 137 members and their guest participated in the tournament as well as an excellent opportunity to broaden their networks with their fellow landmen!

A sandwich buffet was served by the Augusta Pines catering staff prior to the shotgun start at 1:00pm and a Tex Mex dinner buffet was enjoyed by everyone at the conclusion of play. Chairman Randy Helms, with T.E.A.M. handled the tournament chair duties along with the able assistance of Cheryl Schmidt with T.E.A.M. A good time was had by all of those in attendance.

Special thanks go out to all of NHAPL's extremely generous sponsor companies, for without their loyal and continued support the tournament could not have been the complete success it was! (See sponsor board attached) 22 companies donated over \$9000 towards offsetting tournament costs and the purchase of some 70 door prizes. Door Prizes ranged from golf shoes and putters to drivers, range finders and sets of irons.

Closest to the pin and long drive awards were handed out to the following players:

- **Closest to the Pin:**
 - Sara Hemingway on #9
 - John Ughetta on #17
- **Longest Drive for Men:**
 - Lee Harrison on #6
- **Longest Drive for women:**
 - Sara Hemingway on #14
- **First Place score of 58 went to the team of:**
 - Kevin Ganey, Travis Everson, Lane McKinney & Michael Gibson
- **Second Place score of 60 (Score Card Playoff) went to the team of:**
 - Austin Taylor, Daniel Latimer, Robert Roark & Kade Simmons
- **Third Place with a score of 60 (Score card playoff) went to the team of:**
 - Kevin Ferrin, Matt Delhomme, Chris Yancy & Lee Harrison

Randy Helms, CPL

NHAPL Golf tournament Chair

NHAPL's 3rd Annual "Bring On The Summer" Crawfish Boil | The Woodlands, Texas

After having to cancel the originally scheduled crawfish boil last minute due to inclement weather, we were stuck with the decision of postponing or cancelling the event entirely. Luckily after scrambling around to find another date and time that would work, we were able to reschedule the venue and event for a couple weeks later. We picked a new spot this year in The Woodlands at Creekwood

Park because of logistical issues encountered with the last venue. The weather was hot and humid, but we had a great turnout. Everyone had a blast and braved the heat with some ice-cold refreshments and excellent crawfish boiled up by none other than the Cajun King, a.k.a. Brent Broussard himself. The event was sponsored by Kirby, Mathews, and Walrath, and graciously hosted once again by our other sponsor Dudley Land Company. Shout out to Ed McClain with Dudley for winning the nice YETI Cooler Bag!

Tony Patterson, CPL

NHAPL Crawfish Boil Chair

Membership Update

We continue to see growth in membership in our association. We would like to remind our members that membership renewals are due July 1, 2019. Please login to www.nhapl.org to renew your membership. Also, we would like to welcome the following members who have joined our association since our last

newsletter:

George Agee (XTO Energy, Inc.)

Elijah Beal (Encana)

Courtney Bussell (AmeriTex Landman Group LLC)

Debra Churchill (XTO Energy, Inc.)

Carter Collum (Marathon Oil)

John Ellis (XTO Energy, Inc.)

Amanda Hopkins (Percheron LLC)

Meredith Miller (XTO Energy, Inc.)

Miguel Nevarez (Nevarez Oil & Gas)

Treyce Sackett (Sackett Inc.)

Jay Solo (Citation Oil & Gas Corp)

Roger Steward (AmeriTex Landman Group LLC)

Nicholas Webb (WebbGem Resources, LLC)

Will Holstien, CPL

Membership Chair

EDUCATIONAL DEVELOPMENT



Stephen Newton is an attorney at the LeBlanc Law Firm in Houston, Texas, where his practice focuses on the representation of E&P companies, private equity investors and mineral buyers and sellers in a variety of transactional matters. In addition to having authored numerous drilling and division order title opinions covering both producing and non-producing properties in Texas, North Dakota and several other oil and gas-producing states, Stephen serves as outside counsel to his operator clients, working day-to-day with in-house personnel and field landmen to keep the rig schedule on track and resolve disputes with non-operators and lessors. In this capacity, he has drafted a variety of upstream industry contracts and title curative instruments and advised clients on a wide-range of legal issues associated with oil and gas development. Stephen also devotes a significant amount of his practice to acquisitions and divestitures, representing both buyers and sellers, including the negotiation and drafting of purchase and sale agreements and title due diligence. Stephen is licensed to practice law in Texas, Louisiana and North Dakota. He is Board Certified in Oil, Gas and Mineral Law by the Texas Board of Legal Specialization.

DOES A LESSOR RATIFY A POOLED UNIT BY CASHING ROYALTY CHECKS?

IT DEPENDS . . .

Stephen K. Newton

The LeBlanc Law Firm

Houston, Texas

A lessee cannot pool the lessor's royalty interest without express authorization, which is usually provided in the underlying oil and gas lease. Likewise, a lessee cannot pool a non-participating royalty interest or non-executive mineral interest without the owner's consent, which is usually secured by an instrument of ratification. Nevertheless, Texas courts have recognized a royalty owner's conduct can

legitimize an otherwise illegitimate attempt to pool. Waiver, ratification and estoppel are distinct, but closely-related, affirmative defenses (or excuses) to a royalty owner's complaint of improper pooling.¹ "Ratification occurs when a party recognizes the validity of the contract by acting under the contract, performing under the contract, or affirmatively acknowledging the contract."²

On April 24, 2019, the San Antonio Fourth Court of Appeals decided *Strickhausen v. Petrohawk Operating Co.*³ Ms. Strickhausen, as owner of an undivided one-half (1/2) mineral interest in a tract of land in LaSalle County, Texas, executed an oil and gas lease in favor of Escondido Resources II, LLC, which was thereafter assigned by Escondido to the appellees, Petrohawk *et al.* Ms. Strickhausen's lease prohibited pooling without the express written consent of lessor. However, without first obtaining the consent of Ms. Strickhausen, Lessees filed of record an instrument purporting to pool five leases, including Ms. Strickhausen's lease, into a pooled unit designated as the "White Kitchen Unit No. 4."

Thereafter, on September 20, 2012, Lessees sent Ms. Strickhausen a letter requesting that she ratify the pooled unit. Beginning with a letter dated October 12, 2012, from Ms. Strickhausen's attorney, there ensued several months of back-and-forth between the parties over the validity of the pooled unit with respect to Ms. Strickhausen's lease. After her attorney initiated a challenge to Lessee's pooling action, Ms. Strickhausen cashed checks marked as proceeds attributable to the "WK Unit 4 1H" which calculated Ms. Strickhausen's royalty share on a pooled basis. The trial court granted Lessee's motion for summary judgment based on the affirmative defense of ratification, reasoning that Ms. Strickhausen "ratified [the breach of the pooling clause] by accepting, and negotiating, royalty checks from the pooled unit."⁴

The court analyzed the facts of this case in light of the Texas Supreme Court's 2015 decision in *Hooks v. Samson Lone Star, Ltd. P'ship*.⁵ In *Hooks*, Samson filed of record an amended pooling designation which purported to remove a tract of land from the "Blackstone Minerals 'A' No. 1" unit (re-designated the "Joyce Du Jay No. 1" unit). This amendment effectively deprived Hooks of a share of production attributable to the producing well located on the removed tract. Samson sent notice of this amendment to Hooks, who did not protest. Hooks accepted royalty checks for the Joyce Du Jay unit; he never received royalty checks for the original Blackstone unit. In court, Hooks claimed that he was owed royalties from both units because Samson had no authority to "un-pool" the original Blackstone unit. In rejecting Hook's argument, the court found Hooks had ratified the amended unit as a matter of

¹ See *Ohrt v. Union Gas Corp.*, 398 S.W.3d 315, 329 (Tex. App. – Corpus Christi 2012, pet. denied).

² *Id.*

³ No. 04-18-00636-CV.

⁴ *Id.* at p. 5.

⁵ 457 S.W.3d 52 (Tex. 2015).

law based on the fact "Hooks received notice of an amendment to the unit designation, accepted royalties from the amended unit, and does not challenge the amended unit."⁶

In *Strickhausen*, the court of appeals reversed the trial court's granting of summary judgment in favor of Lessees, finding there was a question of fact as to whether Ms. Strickhausen's acceptance of royalty amounted to ratification. The court defined ratification as "(1) approval by act, word, or conduct, (2) with full knowledge of the facts of the earlier act, and (3) with the intention of giving validity to the earlier act."⁷ Unlike the facts in *Hooks*, Ms. Strickhausen appeared to have challenged Lessee's pooling action, through her attorney, almost immediately after receiving notice thereof and prior to cashing the royalty checks. Therefore, it was not established that Ms. Strickland expressed an intent to "give validity to" Lessee's pooling action.⁸

The recent decision in *Strickhausen v. Petrohawk Operating Co.* illustrates that the question of implied ratification of pooling is the fact-intensive inquiry. A single act of cashing a royalty check might not be sufficient to bind the royalty owner's interest to the pooled unit. Therefore, it is good practice to obtain the express written consent of all royalty owners before forming a pooled unit.

⁶ *Id.* at 66.

⁷ *Strickhausen*, at p. 7 (citing *Bank of Am., N.A. v. Prize Energy Res., L.P.*, 510 S.W.3d 497, 505-06 (Tex. App. – San Antonio 2014, pet. denied.)).

⁸ *Id.* at p. 11.

Industry Summer Events

HAPL 16th Annual "Bridging the Gap" Summer Social

Thursday, July 18, 2019



The "Bridging the Gap" Social is a cross-functional event that brings Landmen of all ages, experiences, and disciplines together. Interns and potential new members are invited as well. HAPL invites you to meet new folks and share memories with old friends.

When: Thursday, July 18th from 5-8pm

Where: Clutch Bar on 5334 Washington Avenue (New Location)

Made possible by our generous sponsors:

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Cade Clark – Select Land Consulting, LLC
Alan Morgan – Remora Oil Company

Contact Hunter Arbuckle at Hunter.Arbuckle@EPEnergy.com or (214) 938-8934 for sponsorship opportunities (7/12 Deadline) or questions.

Checks should be made payable to HAPL and mailed to HAPL, ATTN: Lindsey Griffith, 800 Bering Dr., Ste. 120, Houston, TX 77057.

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NAPE SUMMER

Houston, Texas

August 21 - 22, 2019
George R. Brown



The Houston Association of
Professional Landmen Present
18th Annual Permian Social

Thursday, August 22, 2019 - Prohibition Supper Club and Bar

1008 Prairie St, Houston, TX 77002

Happy Hour following Summer NAPE 5:30 - 8:30 PM



PROHIBITION

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