

Leasing Agents/Landmen
Presentation by Percyne Gardner

My name is Percyne Gardner. I am a retired nurse who has lived at 837 Highland Drive in Las Vegas, New Mexico for the past 38 years. I'm also the widow of Kim Kirkpatrick, who died a year ago this coming Saturday. He had completed writing 80% of an ordinance that is considered well-researched and comprehensive for possible use by the San Miguel County Commission.

I want to address our concerns regarding landmen, also known as land agents.

What is a landman or woman?

According to the website of the American Association of Petroleum Landmen (AAPL), there are three levels of certification:

RL – Registered Landman

RPL – Mid-level designation

CPL – Certified Landman

There are numerous schools, especially around Houston and in Oklahoma, where this training is offered.

Many practicing landmen are attorneys, who work for the oil and gas industry.

They negotiate for acquisition of mineral rights, determining ownership of minerals through research of public and private records, receiving status of titles, etc. Some landmen have the deserved reputation for being unscrupulous and less than transparent when negotiating oil and gas leases with property owners. Oil and gas leases are complicated legal contracts, with lots of very fine print and legal language – like the redacted one I have here and will submit as a handout. Many property owners are intimidated by these leases and sign without knowing the consequences.

How can the ordinary citizen, like myself, understand all the ramifications of signing a lease without the help of an independent lawyer?

A 'truth in leasing' bill, presented by Representative Mark D. Okey and Teresa Fedor to the Ohio General Assembly for the 2011 – 2012 session, is intended to protect property owners from some of the worst depredations of the landmen.

This Bill recommends getting the advice of an attorney before signing a lease. A full Disclosure from the lessee, the oil and gas company, is required. This full Disclosure should contain such

information as the range of prices per acre. For example, apparently people in Mora were offered \$1.00 per acre and folks in Santa Fe were offered as much as \$5,000 an acre! Also, business licenses should be required for each landman or woman from the county.

Protect San Miguel County recommends the following Mineral Rights Leasing Requirements:

All landmen must be registered with the County of San Miguel and have a current business license. This registration must be renewed and a fee of \$100 paid annually. If these landmen or women fail to register with the county, they will be prohibited from conducting business in the county of San Miguel.

All agents and landmen seeking to secure mineral lease agreements must provide the following to the property owner, the lessors:

- ⤴ A copy of his or her San Miguel County business license
- ⤴ Written notification of the county contact person for oil and gas assistance information
- ⤴ The San Miguel County Oil and Gas Leasing Disclosure Form with a detailed objective listing of both positive and negative impacts of signing a lease, as well as state and non-profit sources of advocate assistance with understanding and negotiating leases
- ⤴ Copies of these documents, signed to acknowledge receipt by the property owners, shall be promptly recorded at the County Clerk's office along with any resultant lease and shall be included with any subsequent conditional use permit application

A note of interest: the most famous landman is our former president, George W. Bush!

Thank you.

Ref: AAPL, HB No. 493, 2011-2-12 regular session, Ohio General Assembly, introduced by Representatives Mark Okey and Teresa Fedor