

42ND ANNUAL ERNEST E. SMITH
OIL, GAS AND MINERAL LAW



"Pioneer Sunset" by Robert D. Flaherty, 2013. Photo taken on Pioneer Natural Resources lease near Stanton, Texas.

FUNDAMENTALS AND INSTITUTE

HOUSTON

April 14–15, 2016

Royal Sonesta Hotel ■ Houston, Texas

 **LIVE WEBCAST**

April 14–15, 2016

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May 12–13, 2016

2016

FUNDAMENTALS OF OIL, GAS AND MINERAL LAW

HOUSTON ■ April 14, 2016 ■ Royal Sonesta Hotel

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THURSDAY MORNING

Presiding Officer:

**Shonnie L. Daniel, Calpine Corporation,
Houston, TX**

7:30 a.m. Registration Opens

Includes continental breakfast.

8:35 a.m. Welcoming Remarks

8:45 a.m. .75 hr

Drilling Contracts and Master Service Agreements

Risk allocation issues in drilling contracts and master service agreements are often the most difficult issues. Hear a broad overview of the indemnity and insurance provisions and learn some important pitfalls to avoid.

William W. Pugh III, Liskow & Lewis, APLC,
Houston, TX

9:30 a.m. .75 hr

You Have Drilled Your Well, Now What?

Fastest and best way to ruin a good well. Production and marketing of the hydrocarbons, failure to properly account for production can get painful. Hidden danger creates biggest safety hazard in the oil patch.

William D. "Bill" Griffin, Griffin Consulting,
Houston, TX

10:15 a.m. Break

10:30 a.m. .50 hr

Administering State Leases and Relinquishment Act Lands

Classification of state lands and accompanying lease forms; plus recent changes to the state lease.

Mark A. Havens, Texas General Land Office,
Austin, TX

11:00 a.m. .75 hr

Implied Covenants

A review of the law of implied covenants and its application to the oil patch.

Elizabeth "Becky" Miller, Scott Douglass &
McConnico LLP, Austin, TX

11:45 a.m. Pick Up Lunch

Included in registration.

THURSDAY AFTERNOON

LUNCHEON PRESENTATION

12:05 p.m. .50 hr

The Future of US Shale Oil

A discussion of the current environment impacting shale oil resource development in the United States and the prospects for the future, with a focus on the Permian Basin.

Mark S. Berg, Pioneer Natural Resources, Irving, TX

12:35 p.m. Break

12:50 p.m. .75 hr

What You Need to Know About the Railroad Commission

An overview of the oil and gas drilling, production, environmental and pipeline regulation by the Railroad Commission of Texas.

W. Timothy George, McGinnis Lochridge, Austin, TX

1:35 p.m. 1.00 hr

Basics: Redetermination, Perfection and Bankruptcy in the Oilfield

Discuss the rules governing bankers' decisions about asset valuation, perfection of security interests under joint operating agreements, and the effect of bankruptcy on your client's rights and obligations.

J. Zach Burt, Mineral Management, Bank of Texas,
Fort Worth, TX
W. John English Jr., Baker & Hostetler LLP,
Houston, TX
Eric R. Goodman, Baker & Hostetler LLP,
Cleveland, OH

2:35 p.m. Break

2:45 p.m. .50 hr

Same Title, Different "Opinion"

A discussion on the various types, and differences between, title opinions utilized in all stages of the production of oil and gas.

Rhodes W. Hamilton, Hamilton & Squibb, LLP,
Dallas, TX

3:15 p.m. .50 hr

The Division Order—Uses and Abuses: A Shield Not a Sword

A discussion of the origins, uses and the statutory provisions governing division orders.

Michael D. Jones, Jones Gill LLP, Houston, TX

3:45 p.m. .75 hr

Are We There Yet? The Beginning and the Termination of an Oil and Gas Lease

An examination of the commencement of the term of the lease and its termination.

Peter E. Hosey, Jackson Walker L.L.P.,
San Antonio, TX

4:30 p.m. .50 hr

Joint Operating Agreement Subsequent Operations

Explore proposals for operations after the initial well, and a comparison of vertical and horizontal well issues with a brief look at the revisions to this provision in the new 2015 Model Form.

Michel E. Curry, Henry Resources LLC, Midland, TX

5:00 p.m. Adjourn Fundamentals

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FRIDAY MORNING

Presiding Officer:

**Michael E. McElroy, McElroy, Sullivan,
Miller, Weber & Olmstead, L.L.P.,
Austin, TX**

7:15 a.m. Registration Opens

Includes continental breakfast.

8:05 a.m. Welcoming Remarks

8:15 a.m. 1.00 hr ethics

The True Cost of Representation

When a client discloses a terrible truth or reveals an unspeakable purpose, what obligations do the Texas Rules of Disciplinary Conduct place on an attorney? What happens when it's time for an attorney to move on? Explore the unexpected answers given by the Rules using both recent and historical real world cases.

Michael J. Golden, Boulette Golden & Marin L.L.P.,
Austin, TX

9:15 a.m. 1.25 hrs

Case Law Update

Review recent decisions dealing with oil and gas leases, royalties, mineral conveyances, joint operating agreements, state regulation and related topics.

Ernest E. Smith, The University of Texas
School of Law, Austin, TX

10:30 a.m. Break

10:45 a.m. .50 hr

Royalty Clause Construction in Texas: Is *Hyder* part of the *Heritage* or More Surplusage?

An update on Texas cases discussing post-production costs and lease interpretation.

David Drez III, Wick Phillips, Fort Worth, TX

Materials By:

Jacob Fain, Wick Phillips, Fort Worth, TX

11:15 a.m. .75 hr

The Model Form Meets the 21st Century

Discuss both the accepted and rejected changes made in the AAPL 610 Model Form—2015 Joint Operating Agreement.

Jeff Weems, Porter Hedges LLP, Houston, TX

12:00 p.m. Pick Up Lunch

Included in registration.

FRIDAY AFTERNOON

LUNCHEON PRESENTATION

12:20 p.m. .50 hr

Regulatory and Legislative Developments Affecting Product Disposition

It is not enough to permit, site, and drill a producing well. Quickly review regulation and legislation that affect production after it leaves the wellhead, including topics such as LNG, crude and condensate exports, Jones Act limitations, what the Clean Power Plan means for fossil fuels, rail regulations, and pipeline development.

Kathleen E. Magruder, BP Energy Company,
Houston, TX

12:50 p.m. Break

1:05 p.m. .50 hr

Texas Oil & Gas Pattern Jury Charges

A summary review of the new State Bar of Texas Oil & Gas Pattern Jury Charges volume.

Ricardo E. Morales, Person, Whitworth, Borchers & Morales, L.L.P., Laredo, TX

1:35 p.m. .50 hr

Railroad Commission Update

Examine recent activities at the Railroad Commission including Statewide Rules for UFT Fields, upgrades in special field rules for unconventional development, concerns about induced seismicity and earthquakes, restrictions on disposal well permitting, and shipper challenges to common carrier tariff increases.

W. Timothy George, McGinnis Lochridge, Austin, TX

2:05 p.m. .75 hr

Better, Faster, Economical... Arbitration?

Contrary to popular belief, these three adjectives can describe arbitration. Discuss creating effective and efficient arbitration strategies for oil and gas disputes, including suggestions for improving arbitration provisions in some standard industry form contracts.

Derrick Carson, Locke Lord LLP, Houston, TX
David E. Harrell Jr., Locke Lord LLP, Houston, TX

2:50 p.m. Break

3:00 p.m. .75 hr

Production Sharing Agreements and Allocation Wells Update

Update on current status of allocation wells, including legislation and litigation addressing allocation wells; considerations in negotiating production sharing agreements; methods of allocation of production among multiple tracts; effect of production sharing and allocation wells on retained acreage and Pugh clauses; allocation wells and division orders.

Moderator:

J. Robert Goldsmith Jr., Goldsmith & Bogisch,
Austin, TX

Panelist:

Gregory S. Mathews, Chevron USA INC.,
Houston, TX

John B. McFarland, Graves, Dougherty, Hearon & Moody, Austin, TX

3:45 p.m. .50 hr

Distress and Bankruptcy in the Oil & Gas Market

Discuss the risks and opportunities that result from the decline in commodity prices, including counterparty risk and the acquisition of distressed oil & gas assets both inside and outside of bankruptcy.

David M. Bennett, Thompson & Knight LLP,
Dallas, TX

4:15 p.m. .75 hr

Recent Developments Involving the Conflicting Rights of Mineral Owners and Surface Owners

Evaluate the *Lightning v. Anadarko* case and other recent issues and developments dealing with conflicts between mineral owners and surface owners regarding the use of the surface and subsurface.

Moderator:

Lisa Vaughn Lumley, Shannon, Gracey, Ratliff & Miller, LLP, Fort Worth, TX

Panelists:

William G. Bredthauer, Harris, Finley & Bogle, P.C.,
Fort Worth, TX

Dick Watt, Watt Thompson & Henneman LLP,
Houston, TX

5:00 p.m. Adjourn Institute

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ROBERT D. FLAHERTY, PHOTOGRAPHER



"Pioneer Sunset" by Robert D. Flaherty, 2013.

Landscape photography is about matching a great landscape with extraordinary light. Light in its simplest form is purely a function of weather.

Growing up in West Texas and later Northern Arizona, Robert D. Flaherty developed a passion for studying weather at a very early age. When it came time to choose a career and attend a university, he was confronted with the reality that Meteorologists really just sat under florescent lights recording temperature, humidity and other statistics until they were old enough to retire. He graduated with a Marketing degree from Texas Tech University in 1986 while spending the better part of his time studying weather in the Meteorology Department. Marketing was never an outlet for his love of weather but his continued interest evolved over the years into a wealth of knowledge.

After a very brief experience in the corporate world, he spent the last twenty years self-employed in a number of business ventures centered on recycling business printing products. He purchased his first professional camera in 2006. It was time to pursue his love for weather through its obvious link to landscape photography.

While most photographers plan their trips months in advance, he literally waits until the last minute. He does this by setting aside a block of time and then identifying multiple destinations—sometimes at opposite ends of the country. He then studies weather patterns and their effect on light and the way he wants to capture a particular type of landscape. At the last moment, he chooses the destination with the best light for the best way to convey that landscape. Some of his favorite landscapes in the Southwest may only receive a few inches of rain per year but he chooses them exclusively during wet or dramatic weather.

Twenty-five years of studying weather patterns and forecasting has given him the ability to build his photography around the light he chooses. For Flaherty, photography is simply a study in light. The Grand Canyon is always the same. It is the light that changes moment by moment making each time wonderful and new.

Light by nature is temporary and transient. Flaherty's images are an attempt to capture light at its most beautiful state in a single moment in time.

Visit www.robertflaherty.net to view Flaherty's fine art photography.

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Fundamentals Registration Total \$ _____

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Includes Course Materials and Friday Luncheon Presentation

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- Individual registration by April 6 \$350
- Individual registration after April 6 \$400

2. Select Course Materials Format

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INSTITUTE WEBCAST REGISTRATION

Includes Electronic Course Binder Download (PDF) in "Your Briefcase"

1. Select Webcast Date

- LIVE: Friday, April 15, 2016 \$300
- REPLAY: Friday, May 13, 2016 \$300

Institute Registration Total \$ _____

REGISTRATION SUBTOTAL \$ _____

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HOUSTON

April 14–15, 2016

CONFERENCE LOCATION



Royal Sonesta Hotel
 2222 West Loop South
 Houston, Texas
 713.627.7600

Special Room Rate: \$199
 good through March 22
 reference "UT Law Oil and Gas"
 (subject to availability)

Parking:
 Self-Parking \$10 daily; \$16 overnight
 Valet \$16 daily; \$27 overnight
 (subject to change)

KEY DATES

April 6, 2016

last day for early registration
 add \$50 for registrations
 received after this time

April 8, 2016

last day for cancellation (full refund)

April 11, 2016

last day for cancellation (partial refund)
 \$50 processing fee applied

April 14, 2016, 8:35 a.m.

Fundamentals begins

April 15, 2016, 8:05 a.m.

Institute begins

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