

A background image showing an open book with a pen resting on it, symbolizing law and documentation.

DOCUMENTING OIL AND GAS LEASEHOLD TRANSACTIONS TO SURVIVE THE STATUTE OF FRAUDS

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What is the Statute of Frauds?

- Statute
 - Actually 2 statutes
- Requires signed written documentation for enforcement of some agreements
 - But not all agreements
- Applies to most oil and gas transactions





What is the Statute of Frauds?

- Originally to prevent “*fraud*”
 - Some agreements are too important for oral contracts
 - To avoid the risk of fraudulent oral contracts, signed written documentation was required
- In oil and gas transactions, the focus is typically on the requirement for a clear written description of the deal
 - What property is involved?
 - What are the terms of the agreement?



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What is the Statute of Frauds?

- Court decisions use words like:
 - “Reasonable certainty”
 - “Specific certainty”
 - “Essential terms of a contract”
 - “Subject matter of the contract”



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What is the Statute of Frauds?

- Actually two statutes:
 - Statute of Frauds
 - Statute of Conveyances
- Discussed together as the Statute of Frauds



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Statute of Frauds

- **§26.01 - Texas BUSINESS & COMMERCE CODE**
- Requires signed written documentation for specified agreements
- Applies to most common oil and gas agreements



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