

43RD ANNUAL ERNEST E. SMITH
OIL, GAS AND MINERAL LAW



FUNDAMENTALS AND INSTITUTE

HOUSTON

April 13–14, 2017

Royal Sonesta Hotel ■ Houston, Texas

 **LIVE WEBCAST**

April 13–14, 2017

 **WEBCAST REPLAY**

June 8–9, 2017

2017 FUNDAMENTALS OF OIL, GAS AND MINERAL LAW

HOUSTON ■ April 13, 2017 ■ Royal Sonesta Hotel

◆ LIVE WEBCAST ■ April 13, 2017

◆ WEBCAST REPLAY ■ June 8, 2017

Earn up to 8.00 Hours of Credit

TX Legal Specialization Credit Approved for Administrative Law, Oil, Gas and Mineral Law, and Real Estate Law

THURSDAY MORNING, APRIL 13, 2017

Presiding Officer:

Jeff Weems, Staff Weems LLP,
Houston, TX

7:30 a.m. Registration Opens

Includes continental breakfast.

8:15 a.m. Welcoming Remarks

8:30 a.m. .50 hr

So You Want to Drill Your Own Oil Well? An Oil and Gas Drilling Primer

Hear an overview of the process of finding oil and gas and bringing it to the surface, as well as some of the needed agreements.

Frank N. Cusimano III, Chevron North America
Exploration and Production Company, Houston, TX

9:00 a.m. .75 hr

The Rule of Capture, Correlative Rights and Principles of Conservation

Examine the effects of the Rule of Capture, and discuss well spacing, production limitations, pooling and unitization, and related environmental regulation. Hear a description of agency rules and regulations, rule-making and adjudication procedures, along with a judicial review of agency actions including the concepts of collateral attack, exhaustion of administrative remedies, primary jurisdiction, and standards of deference.

Patrick H. Martin, Louisiana State University Paul M.
Hebert Law Center, Baton Rouge, LA

9:45 a.m. Break

10:00 a.m. .75 hr

Interests in Oil and Gas

Hear an overview of the general types, characteristics and classifications of oil and gas interests.

Christopher S. Kulander, South Texas College of Law
Houston and Of Counsel, Haynes and Boone, LLP,
Houston, TX

10:45 a.m. 1.00 hr

The Oil and Gas Lease, Part I: Classification, Scope of Grant and Duration

Focus in-depth on how an oil and gas lease is classified in law and on the key clauses of the lease.

Owen L. Anderson, The University of Texas School
of Law, Austin, TX

11:45 a.m. Pick Up Lunch

Included in registration.

THURSDAY AFTERNOON

Presiding Officer:

Jeff Weems, Staff Weems LLP,
Houston, TX

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12:05 p.m. .75 hr

Texas Title Examination Standards: Introduction and Practical Exercises

Take a look at the use of Title Examination Standards to address common defects, exceptions and errors found in the chain of title to land. Explore the language of the standards, times when they are applicable, and the commentary of applicable law for each standard. Take part in a few practical examination exercises using actual situations encountered in title examination.

Allen D. Cummings, Law Offices of Allen D.
Cummings, San Antonio, TX

12:50 p.m. Break

1:05 p.m. .75 hr

The Oil and Gas Lease, Part II: The Royalty Clause in an Oil and Gas Lease

In Texas, the calculation of the royalty obligation created under an oil and gas lease is determined by looking at the specific language contained in the royalty clause. Focus on some of the principal phrases used to describe such obligations and how the Texas courts have interpreted them, and take a look at how that same language has been interpreted differently in other jurisdictions. Analyze the impact of division and transfer orders to determine how such instruments may affect the royalty obligations contained in the lease.

Monika U. Ehrman, The University of Oklahoma
College of Law, Norman, OK

1:50 p.m. .75 hr

The Oil and Gas Lease, Part III: Implied Covenants

Follow an outline of the law of implied covenants, including duties imposed, standards applied, and remedies available.

Keith B. Hall, Louisiana State University Paul M.
Hebert Law Center, Baton Rouge, LA

2:35 p.m. .50 hr

The Oil and Gas Lease, Part IV: Other Clauses

Review other clauses in an oil and gas lease, including surface use clauses and riders, retained acreage and proportionate reduction clauses, and savings clauses such as continuous operations, dry hole, force majeure, and shut-in gas royalty clauses.

Thomas A. Daily, Daily & Woods, P.L.L.C.,
Fort Smith, AR

3:05 p.m. Break

3:15 p.m. .75 hr

Voluntary Pooling and Unitization

Review the typical pooling clause in an oil and gas lease, which allows the lessee to combine acreage under one lease with acreage underlying adjacent tracts. Also, explore the voluntary unitization statute in Texas under which the Railroad Commission approves field-wide units, which may combine acreage from hundreds of different tracts and landowners for the purpose of second recovery or repressuring.

Carroll G. Martin, Scott Douglass & McConnico LLP,
Austin, TX

4:00 p.m. .75 hr

Oil and Gas Conveyancing

Explore the terms used to convey mineral and royalty interests and the issues that arise in drafting and interpreting these conveyances.

Laura H. Burney, St. Mary's University School of Law,
San Antonio, TX

4:45 p.m. .75 hr

The Joint Operating Agreement (JOA)

Hear an overview of the important components of a JOA, completion of and additions to the Form JOA, and issues that arise in the application of the JOA provisions to exploration and production activities.

John S. Lowe, Southern Methodist University
Dedman School of Law, Dallas, TX

5:30 p.m. Adjourn

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◆ WEBCAST REPLAY ■ June 9, 2017

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FRIDAY MORNING, APRIL 14, 2017

Presiding Officer:

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

7:15 a.m. Registration Opens

Includes continental breakfast.

8:05 a.m. Welcoming Remarks

8:15 a.m. 1.00 hr ethics

Cybersecurity for Oil & Gas Attorneys: Understanding the Ethical and Legal Obligations

Explore the ethical and legal obligations of attorneys and law firms to protect client data and communications from the latest cybersecurity threats.

Bart W. Huffman, Locke Lord LLP, Austin, TX
Will R. Daugherty, Baker & Hostetler LLP,
Houston, 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

Railroad Commission Update

Brian R. Sullivan, McElroy, Sullivan, Miller, Weber &
Olmstead, L.L.P., Austin, TX

11:15 a.m. .75 hr

Production In Paying Quantities (PPQ)

BP v. Laddex—the Texas Supreme Court revisits the doctrine it created.

Charles "Skip" Watson, Davis, Gerald & Cremer,
Austin, TX

12:00 p.m. Pick Up Lunch

Included in registration.

FRIDAY AFTERNOON

Presiding Officer:

Carroll G. Martin, Scott Douglass
& McConnico LLP, Austin, TX

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12:20 p.m. .50 hr

Gas Exports to Mexico

Explore what is fueling Mexico's evolving energy & power market from a commercial perspective.

Matt Ray, Energy Transfer Partners, L.P., Dallas, TX

12:50 p.m. Break

1:05 p.m. .50 hr

Quench My Thirst: Water Rights in the Context of Water Treatment Technologies

Peter E. Hosey, Jackson Walker LLP, San Antonio, TX

1:35 p.m. .75 hr

Legal and Regulatory Issues in Light of Current Drilling Technology

Hear about allocation wells, production sharing agreements, field rules, and retained acreage clauses in the new horizontal drilling environment.

Moderator:

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

Panelists:

Gregory S. Mathews, Chevron USA INC.,
Houston, TX
John B. McFarland, Graves, Dougherty, Hearon &
Moody, Austin, TX

2:20 p.m. .75 hr

The Statute of Frauds and Typical Leasehold Documents

The statute of frauds applies to oil and gas leasehold contracts, and the failure to satisfy its requirements may render an agreement unenforceable. Examine how the statute might be applied to typical leasehold documents—retained acreage clauses, farmouts, and AMIs.

W. Timothy George, McGinnis Lochridge, Austin, TX

3:05 p.m. Break

3:15 p.m. .50 hr

Fun New Ways for Density and Proration Rules to Bust Your Lease

Review and analyze three recent Texas cases affecting how "governmental authority" language in retained acreage clauses interacts with density and proration rules to determine how much acreage an oil and gas lessee may hold by production.

Brandon Durrett, Dykema Cox Smith,
San Antonio, TX

3:45 p.m. .50 hr

Closing the Deal and Keeping the Taxman Waiting: Use of I.R.C. Section 1031 in Oil and Gas Acquisitions and Divestitures

Walk through a step-by-step guide to compliance with Section 1031 of the Internal Revenue Code to tie an asset disposition to a later acquisition of a replacement property as a tax-free exchange or to "park" an acquisition as a tax-free replacement property for assets subsequently disposed of.

David G. Drumm, Carrington Coleman Sloman &
Blumenthal LLP, Dallas, TX

4:15 p.m. .75 hr | .25 hr ethics

We're Not Out of the Woods Yet: Selected Issues for Consideration in an Economically Stressed Environment

Discuss the issues facing exploration and production companies and pipeline companies in the event of an operator or non-operator bankruptcy. Learn about the tools available under the AAPL Model Form Joint Operating Agreement to help alleviate some of these problems.

Eric R. Goodman, Baker & Hostetler LLP,
Cleveland, OH
W. John English Jr., Baker & Hostetler LLP,
Houston, TX

5:00 p.m. Adjourn

16TH ANNUAL GAS AND POWER INSTITUTE OCTOBER 5-6, 2017

Join us for the 2017 Gas and Power Institute!

Explore timely topics in light of the changing landscape of rules, regulations, legislation, and environmental issues.

utcle.org/conferences/GP17

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Select Registration Type

- Individual registration by April 5. \$325
- Individual registration after April 5. \$375

Printed course binder available for an additional fee through April 5

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- Printed Course Binder \$27.06
Price includes 8.25% Sales Tax
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(e.g., government employees and nonprofits)

INSTITUTE—OG17 – APRIL 14

Includes Electronic Course Materials and Friday Luncheon Presentation

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- LIVE: Friday, April 13, 2017. \$300
- REPLAY: Friday, June 8, 2017 \$300

Fundamentals Registration Total. \$ _____

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

Select Webcast Date

- LIVE: Friday, April 14, 2017. \$300
- REPLAY: Friday, June 9, 2017 \$300

Institute Registration Total. \$ _____

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Complete eConference package includes all conference materials for download from "Your Briefcase" at utcle.org. Available 6–8 weeks after the live conference date.

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- Individual eConference \$275
- Call (512) 475-6876 to register additional participants*

INSTITUTE—OG17

- Individual eConference \$325
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- Printed Binder \$175
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HOUSTON

April 13–14, 2017

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2222 West Loop South

Houston, Texas

855.463.3091 (reservations)

Special Room Rate: \$179

good through March 18

reference "UT Law Oil and Gas"
(subject to availability)**Parking:**

Self-Parking \$10 daily; \$16 overnight

Valet \$16 daily; \$25.60 overnight
(subject to change)**KEY DATES****April 5, 2017***last day for early registration*add \$50 for registrations
received after this time**April 7, 2017***last day for cancellation (full refund)***April 10, 2017***last day for cancellation (partial refund)*

\$50 processing fee applied

April 13, 2017, 8:15 a.m.*Fundamentals begins***April 14, 2017, 8:05 a.m.***Institute begins***THANK YOU TO OUR SPONSORS****Baker & Hostetler LLP****Goldsmith, Bogisch & Chaires****Graves, Dougherty, Hearon & Moody****Jackson Walker LLP****Locke Lord LLP****McElroy, Sullivan, Miller, Weber & Olmstead, L.L.P.****McGinnis Lochridge****Scott Douglass & McConnico LLP****FUNDAMENTALS ACCREDITATION**

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9.00 Hours of Texas CPE Credit for Accountants (Sponsor #250) (Institute and Live Webcast ONLY)