

DALWORTH NEWSLETTER

DALLAS – FT. WORTH ASSOCIATION OF DIVISION ORDER ANALYSTS

President's Corner

Loretta Hudson
XTO Energy Inc.

Can you believe it is time to celebrate the 4th of July again? We may not always agree with what our Government does, but thank God we have it. With all of its shortcomings, our system and way of life is the best in the World. Keep our men and women in uniform in your thoughts and prayers this season and be grateful for their service. Wave the Red, White and Blue!!

Dalworth is trying something a little different this year. We are having two joint meetings with DFW/ALTA, one July 10th at the Dallas Petroleum Club and one in November at the Fort Worth Petroleum Club. This will give some of our members that have trouble coming to the evening meetings a chance to join us. If it goes well, we may do more luncheon meetings in the future.

We had a great turnout at a very informative Spring Seminar which you will hear more about in this newsletter.

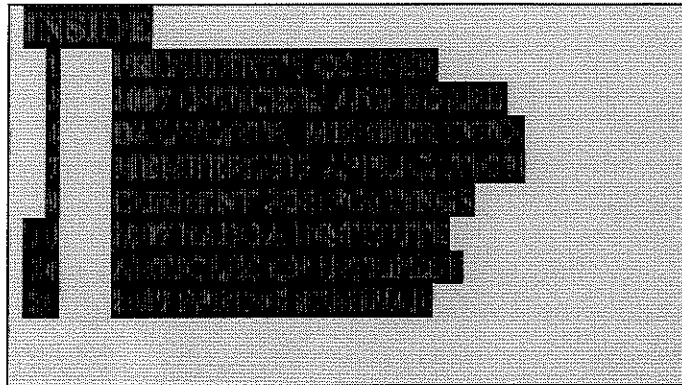
Institute will be here before we know it. Please make plans to be there if at all possible. It is a great way to enhance your education and have fun networking with your colleagues.

I have gotten calls and emails from a few of you. Please feel free to call me with any concerns or hopefully some good things too. The entire board is here to serve and represent you.

Have a great 4th of July and enjoy any vacations some of you may be having. It will be our turn next.

Sincerely,

Loretta Hudson



2006 Past President: Leticia Giron-Garza

Hello everyone, I didn't know if I would have enough to write about, after all my year has just come to an end this past December. I have truly enjoyed the experience of being associated with Dalworth. It is an enjoyable way to network and make life-long friends. In our business we need to be able to communicate with each other, and it is so nice to be able to put a face together with the names on the many documents that come across our desks.

I started working in the Oil & Gas Industry in 1997, for Northern Trust Bank and joined Dalworth that very year. Within three years I was asked to join the Board and have been there since. I have enjoyed all of my time on the board, and I have worked several offices on my way to becoming President in 2006. This year my position on the board is that of Board Advisor, and after a whirlwind year of celebrating we are back to work and concentrating on education for our membership.

I wanted to make my year a memorable year, and just by chance that was not going to be a problem since it happened to be the 25th Anniversary of our organization. So my year was filled with planning and getting as many of our past presidents to join in the celebration in December. The evening was a great success and all on the board worked hard to make it the success that it was. It truly was everyone's efforts that made it such a success.

My job this year will be to find replacements for those that will be moving into other positions on the board, and those that will be moving on. If you feel the calling to be on our board, let me know; or you just might get a call from me later on this year.

I hope to serve again in the future; but for now I will be concentrating on seeing my youngest daughter Zara through High School, and all the activities that go along with it. My oldest daughter Alicia has given me two precious grandchildren a boy Jason now (5) and a girl Kiernan now (2) and another on the way; we believe will be a boy. However as soon as things get settled some, I will be looking forward to serving on the board again.

2007 Officers and Board of Directors

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DALWORTH MEMBER INFORMATION

2007 COMMITTEE CHAIRPERSONS

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FINANCE -	Angela Korthauer (972) 788-5832
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HOUSE -	Kim Blackman (817) 885-2994
MEMBERSHIP -	Vickie Coles (972) 969-3677
PUBLICITY/PR -	Hanna Webster (817) 390-8537
HISTORIAN -	Jo Losen (817) 665-4882
BENEVOLENCE -	Leticia Giron-Garza (214) 965-7507
NOMINATING -	Leticia Giron-Garza (214) 965-7507

REMEMBER...these committee chairpersons are here to serve you. Please contact them if you have any comments or suggestions, or would like to volunteer your time to assist.

HAVE INFO. YOU'D LIKE TO SHARE?

This Newsletter is published for the benefit of our members to keep them informed of not only oil and gas industry issues, but also personal issues.

If you have any interesting tidbits you would like to share with your professional peers, please submit articles to the newsletter Editor, Sandy Drennan.

e-mail at sandy_drennan@xtoenergy.com

Check out our website: www.dalworth.org.



DALWORTH TREASURER'S REPORT

Feb 6, 2007 to April 10, 2007

Bank Bal	\$8,547.26
Income	\$1,089.00
Less Expenses	\$1,211.50
Bank Bal @ 04/10/07	\$8,424.76

2007 MEETING SCHEDULE

Tuesday – February 6, 2007

Membership meeting

Shady Oaks BBQ

Arlington, TX

Pamela Parrish – President of NADOA

Tuesday – April 10, 2007

Membership Meeting

Los Vaqueros

2629 North Main Street

Fort Worth, TX 76179

Allen Gilmer – Chairman of the Board – Drilling Info Companies “Waltzing Across Texas”

Thursday – May 17, 2007

DALWORTH SPRING SEMINAR

Conf. Room -XTO Energy in Ft. Worth.

Various speakers

Tuesday – July 10, 2007

Membership Meeting

Joint Meeting of DFW ALTA and Dalworth

Dallas Petroleum Club

2200 Ross Avenue

Dallas, TX

Larry Schilhabel – Holder Reporting Section Supervisor Unclaimed Property Division,
Texas Comptroller of Public Accounts

September 11, 2007

Membership Meeting

October 18-20, 2007

NADOA National Conference

Albuquerque, NM

November 13, 2007

Membership Meeting

Fort Worth Petroleum Club

Tuesday – December 4, 2007

Christmas Meeting – location to be announced

MEMBERS WANTED!!

One more reason to recruit new members for the **DALWORTH** organization--**REWARDS!!** Recruiting five new members will earn you a twenty-five dollar gift card (yes...\$25.00!).

The person recruiting the most new members will receive an additional twenty-five dollar gift card (**that's a total of \$50.00!!**). *Don't delay!* Let others experience the educational and networking benefits of being a **DALWORTH** member. Of course, new members can be recruited anytime; however, the gift cards will be awarded at the close of our Membership Drive at the April 10, 2007 membership meeting. *So, start recruiting today!*

CONGRATULATIONS!

De B. Brooks of Petro-Hunt LLC was the winner of the DALWORTH Membership Drive. De recruited three new members and won a \$25.00 Simon Gift Card.

DALWORTH ASSOCIATION OF DIVISION ORDER ANALYSTS MEMBERSHIP APPLICATION OR RENEWAL

Dear Dalworth Member or Applicant for Membership:

Please fully complete the **REQUIRED INFORMATION SECTION AND SHARED INFORMATION AUTHORIZATION**. If you are applying for membership, secure the sponsorship of a DADOA member and have that person sign the form where indicated. Our 2007 directory will close on **March 31st**. Please sign & mail this form with your **\$25.00** dues to the address below. If your membership renewal or application for membership is received by **March 31st**, your name will appear in the 2007 DADOA Directory.

REQUIRED INFORMATION

Name:

Company:

Address:

City/State/ZIP:

E-Mail Address:

Telephone Number: ()

Fax Number: ()

SHARED INFORMATION AUTHORIZATION

Periodically, other industry related organizations request membership lists for use in providing notifications of educational opportunities and events. Would you like your information shared with these organizations...

1. for the purpose of educational opportunity notifications? Yes___ No ___

2. for publication of a directory that is inclusive of other industry related groups as well?
Yes___ No___

VOLUNTARY INFORMATION

By completing this **VOLUNTARY INFORMATION SECTION**, you will enable us to collect statistics and data to help us better serve your needs as a member.

1. How many years experience do you have in Division Order work? _____

2. Are you a member of the National Association of Division Order Analysts? _____

 If yes, are you a C.D.O.A.? _____

3. Please list any DADOA offices you would consider running for.

4. Please list any committee(s) on which you would like to serve.

5. Please list any seminar topics you would like to see presented.

6. Please list any specific field of expertise you would consider sharing in a seminar presentation.

SIGNATURE _____ DATE _____

SPONSOR'S SIGNATURE _____ DATE _____
(for new members only)_

Mail check and this form to:

Vickie Coles

Pioneer Natural Resources USA, Inc.

5205 N O'Connor Blvd. #200

Irving, Texas 75039-4746

Make checks payable to: Dalworth Association of Division Order Analysts

Have questions? Call Vickie Coles at 972-969-3677 or email at Vickie.coles@pxd.com.

Current Job Postings

Division Order Analyst - South Rockies Denver, CO

Description:

DIVISION ORDER ANALYST South Rockies Land Administration

The South Rockies Land Administration team is seeking an experienced Division Order Analyst with a proven track record of accomplishments in working all aspects of division orders in complex areas comprising both fee and federal acreage.

EnCana offers excellent opportunities for growth and career advancement for those individuals who desire to leverage his/her background within a dynamic, team-based rewarding culture.

Duties and Responsibilities:

- Manage assigned geographic area by coordinating the set up and maintenance of ownership records based on title opinions. Analyze leases, contracts and title opinions in order to calculate interests in operated and non-operated wells.
- Determine working interests and burdens associated with interests based on title analysis of deeds, assignments, purchase and sale agreements, probate documents, and leases.
- Handle complex title curative issues.

- Resolve revenue and joint interest billing discrepancies.
- Respond to royalty owner inquiries.
- Mentor and train new division order analysts.
- Work closely with land negotiators to ensure a smooth exchange of information related to division order set up, maintenance, deadlines and team goals.
- Knowledge of state and federal regulations, and standard land and legal practices in Colorado to insure the timely and accurate payment of revenues is essential.

Qualifications:

- 5-8+ years experience in division orders or equivalent exposure in a fast-paced, dynamic environment.
- Microsoft Excel skills and familiarity with Excalibur or similar integrated land computer system.
- Effective verbal and written communication and interpersonal skills, and the ability to work with a team.
- Federal Units experience a plus.
- Self-starter, self-directed, organized and detail oriented with the ability to work independently under minimum supervision.
- Good organizational skills and attention to detail.
- College degree or equivalent experience.
- Currently eligible or able to obtain clearance to work in the United States

Aaron Talbert

EnCana Oil & Gas (USA) Inc. Recruitment

Direct: 720-876-5555

aaron.talbert@encana.com

Join Our Team!

www.encana.com/careers/opportunities/index.htm

2007 NADOA Institute Goody Bags

NADOA 2007 ANNUAL EDUCATIONAL INSTITUTE Spirit In The Sky ... Flying High With Education

The National Association of Division Order Analysts (NADOA) is a professional organization committed to providing the finest in continuing education and promoting communication and cooperation among Division Order Analysts and the energy industry. Its membership of almost 1,000 includes not only Division Order Analysts but Lease and Title Analysts, Attorneys, Landmen, Land Analysts, Land Administrators, Revenue Administrators, and Mineral/Royalty Professionals.

NADOA's 2007 Annual Educational Institute will be held at the Hyatt Regency 330 Tijeras NW, Albuquerque, NM. The Institute provides an excellent means of staying current with industry trends from legislative and case-law updates to environmental issues, and is the best opportunity for attendees to share information and experiences regarding problems and situations encountered in our professions, every day.

Each year, NADOA looks to its member companies and associate organizations to help support the Institute. This letter concerns the donations of goodies for the Goody Bags.

On behalf of NADOA, I am asking for your support for the 34th Annual Institute. If you have contributed in the past, NADOA is grateful for your continued assistance. If you have not been involved in this aspect of our Institute, this would be a perfect time to begin a commitment to the ongoing educational development provided by NADOA.

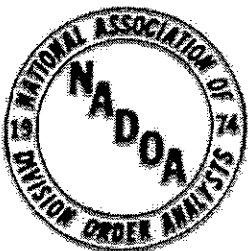
In order to make a donation to this year's Institute, please read and complete the attached form. Return the form as directed as soon as possible. If you have questions or need additional information, please contact me. Thank you for your generous support.

Sincerely,

Sharon Baugh

Mary LeMond

Packet Co-Chairs



June 5, 2007

Re: NADOA 2007 Annual Educational Institute

Dear Member:

Attached you will find NADOA's letter requesting support for the 2007 Annual Institute. Please promptly take the letter and the attached form to the person in your company or organization who is responsible for approving packet donations. To enable NADOA to have the quality Institute that the industry has come to expect, our association needs your help. There are few other educational events that provide the caliber of topics, speakers and reference materials offered annually by the NADOA Institute. Industry support is the key to keeping this fine organization and educational event a cut above the rest.

If you have any questions, please contact me. Thank you very much for your help, and I hope to see you in Albuquerque in October.

Yours truly,

Sharon Baugh

Mary LeMond

Sharon Baugh
2007 Institute Packet Donations Co-Chair
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Mary LeMond
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NATIONAL ASSOCIATION OF DIVISION ORDER ANALYSTS
2007 ANNUAL INSTITUTE

Spirit In The Sky
...Flying High With Education

GOODY BAG DONATION FORM

GOODY ITEMS _____

NUMBER OF ITEMS.....

(450 ITEMS REQUESTED)

COMPANY: _____

ADDRESS: _____

CITY, STATE, ZIP: _____

PHONE NUMBER: _____

CONTACT PERSON: _____

E-MAIL ADDRESS _____

PLEASE RETURN FORM TO:

Sharon Baugh at Sharon.Baugh@rosettaresources.com

Mail Goody Items To:

Sharon Baugh
Bag Items
Box _____ of _____
National Association of Division Order Analysts
c/o Catering / Melita Martin
Hyatt Regency Albuquerque
330 Tijeras Avenue NW
Albuquerque, NM 87102

Ship to arrive by October 5th, 2007

ARTICLES OF INTEREST

FEPA: Forum for Exploration, Production and Acquisitions

MINUTES OF APRIL 12, 2007

FEPA met at 7:30 a.m. on Thursday, April 12, 2007, at Midland Country Club for a presentation by attorney Brad Miller on the Texas Supreme Court Case, "Seagull Energy E&P, Inc. vs. Eland Energy, Inc." Miller is the Permian Basin Petroleum Association's general counsel. This case is based on the idea that even though a non-operated ownership position has been sold to another party, the seller may be responsible for future lease operating costs associated with that interest because the Joint Operating Agreement doesn't expressly provide for release of that obligation when the ownership has been transferred.

DIMIT: We're glad to have Brad Miller, who is serving as general counsel of the Permian Basin Petroleum Association, come talk to us about a case you may have read in the paper regarding a case called "Seagull Energy vs. Eland." Arlen, I appreciate you sending it my way. This is a great idea. It's a real scary thing for any of us who are in the buy-and-sell oil and gas assets. I will let Brad delve into it.

Brad is an Okie. Jim Henry would probably like that. He graduated from the University of Oklahoma with his BA in political science in 1974. Ten years later, he got his J.D. He currently is a member of the Midland County and Oklahoma Bar Associations, the Texas State Bar, and he practices primarily in general civil trial.

BRAD MILLER: Thank you, Bob. I appreciate the opportunity to come and talk to you guys. (He and Jim Henry talked about graduating from the same high school.) Just a little bit more about me, since I don't get to talk about me that much. My father is a lawyer. I'm going to be the middle of a third generation deal. My son is almost through his second year of law school. Hopefully, he will pass the bar and we'll have three Miller lawyers, descending generations. That's a little frightening for some people. Most people think there's plenty of lawyers. But there's not plenty of good ones. Hopefully, we're all good ones.

This case that Bob asked me to talk about...I spoke briefly about it at the PBPA luncheon. I've written about it in our magazine. I didn't know about the case until a landman with Great Western Drilling, Mike Heathington, told me about it. He'd heard about it at a seminar. When I started looking into it, it was the most shocking oil and gas case in the state of Texas since I started studying law and then practicing it for 22 years. The facts of the case are pretty simple: It involves two offshore wells that were controlled by two different operating agreements. They were basically model forma operating agreements with some special offshore provisions. They are common instruments in our industry, especially with billing and collections type language for JIPs. Seagull was the operator. Eland came in and bought two small working interests in the two wells and became subject to the operating agreements. They paid their bills, took their revenue for about a year and a half, and then they sold it at an EBCO lot auction to a qualified bidder who met the financial criteria for bidding there. For the next couple or three years, that company slowly went broke, quit paying bills and built up about a \$200,000 JIB debt.

The operator, Seagull, sued that company and also sued Eland, its predecessor of title, to recover the JIBs. The broke company went into bankruptcy. So Eland is sitting there saying, "Why would I owe that. I sold that. I gave my assignment to Seagull. You accepted it. You started billing the new company, I don't have any other obligations under this contract. I don't think anyone in this

room would see it otherwise. In all the years I've been practicing, and I've collected a lot of JIB debts for operators who weren't paid, and some became judgments that couldn't be collected because that entity went out of business. It never would have occurred to me to go back up the stream of title and find another pocket to get into, which is sort of my job. Nevertheless, you have to hand to these lawyers for the operator. They came up with this idea to go back up the chain of title.

They convinced the trial judge that because the operating agreement had no provision that said you are released just by assigning your interest. It's sort of like an apartment lease. You assign it to your brother or sister and they don't pay the rent. You're still liable for it, unless you've been released by the landlord. The trial court went with that kind of thinking and they stuck it to Eland for the whole amount that was owed. Eland said that can't be right. In our industry, no one has ever looked at this issue this way. They appealed it to the Houston Court of Appeals. They, in my opinion, got it right. They said the obligation ended when the benefits from the ownership ceased. They set the judgment aside and said the operator takes nothing. The operator appealed it to our Texas Supreme Court. This is where it gets crazy. The Texas Supreme Court looked at it. It's really not a huge case for them. Dollar-wise, \$200,000 is not that significant of a case, at least at that level. I'm sure it is to the parties involved. The legal issue was very important to our industry. An opinion came out and mirrored the trial court's opinion that said "Hey, there's no language in there to release you. You're still on the hook unless you get a release from the operator and all the other parties to the operating agreement at the time you withdraw from the operating agreement." It put it back on Eland.

At that time, Eland filed a motion for re-hearing. They were joined in support by a brief filed by AAPL (a landman's association) that said "This is crazy. You didn't get this right. The custom in our industry is your obligation ends when your ownership ends." Supreme Court was not swayed by any of that. It became a law at the end of the year in 2006.

What are the implications for you? If you've owned a working interest at any time – I don't know where there would be a date cutoff – and sold that and it was subject to an operating agreement, and either the person you sold it to or the person they sold it to quits paying their bills, does your contingent liability ever end? I think under the current holding in *Case*, it doesn't. It's a pretty terrifying thought if you think back to the interests you've sold to others and moved on. I don't know if a time limitation would matter. Let's say it wasn't the person who bought it from Eland (who didn't pay the bills) but someone who bought it five years later. Normally, the statute of limitations for contract things runs four years here in Texas. I think it's five in New Mexico. Potentially, they could go back under that holding as far back in the chain of title until they found a pocket that had some money in it and it wouldn't matter that you had sold your interest more than four years ago. Breach of contract occurs now or within the last four years. It wouldn't matter when your ownership ended. This opens up such a can of worms.

I know the PBPA is looking into it and others are looking into it to try and get some legislation passed. That's always an iffy thing to get it right. But the Legislature has stepped in on previous occasions to fix things our Supreme Court seems to not be understanding. Back in the 1980s, they changed the laws on these indemnity agreements where you had to be very bold and clear if you were going to be indemnified for your own negligence. It had to really say that instead of in language I can't read, like in these master service agreements with indemnity provisions. You can't really tell if anyone is liable for anything. But, the Legislature had to step in back then and make some clear law on that. Maybe they will on this case and make it retroactive so you won't have to worry about it.

In the meantime, what do you do about things in the past? I don't know if there's anything you can do. Who's going to give you a release without some consideration for something that happened in the past if they've still got you on the hook. With regard to current operating agreements that you are under, you can always change those by just some kind of written modification to where you make it expressly clear that when the party removes themselves from ownership in the contractual area, they no longer have any contractual obligation to the other parties. It's just such a shocking case. I still shake my head about it.

QUESTION: How far back can you go? I've heard of cases where the mineral owner was sued for liability because if they hadn't leased the land to the operator and the operator's well hadn't blown out, they wouldn't have had the damage.

MILLER: That's more like a tort case.

QUESTION: But in this case if you have an obligation to the operating agreement, does that extend further back?

MILLER: That's a good question. Let's say there's a spill on someone's land. You have an environmental claim, or a blowout and some damage to the land. Could they sue previous owners of working interests going back? I don't think in that case it would apply because the plaintiff would not have been a party to the operating agreement.

QUESTION: I assume the property was plugged. Why didn't they take it out of runs?

MILLER: One of the wells was still producing at the time the lawsuit was filed. The other well apparently they'd had problems with and apparently that's what they ran the bill up for. It was not producing. I don't know if it had been plugged or not. Maybe part of this was a plugging obligation. It wasn't real clear from the opinions that I read. The well continued to produce and the new owner took its runs up until the point where I guess it got cut off. Normally, an operator would just foreclose on the interest and take it back that way. But that's not what they did in this case.

BRUCE BRADY: Seagull messed up by not taking those runs. They were negligent in their own operations.

MILLER: I'm not clear that they didn't take some runs at some point. But there was a large unpaid balance, even if they did.

QUESTION: The 2005 COPAS has a provision that if the operator sells he's off the hook for any more expenses. The person who sells, as long as he provides the operator with proof of the sale, like a recorded instrument, he is no longer responsible for any more expenses. It was in the last PBLA newsletter.

QUESTION: In the language of the AAPL form, the operator can have a lien on the guy's property. He can file on the other people to collect that. I don't sign any agreements that don't have those three lines. It contradicts the first sentence of that paragraph. If that were out, do you think that would exempt you from this decision? It would be stricken so there's no ambiguity.

MILLER: I would feel more comfortable if there was language that says that. They tried to argue a lot of the obvious implications of the language in the operating agreement from different provisions, and I think including that one, to say the understanding of the parties was not to

continue liability forever without an expressed release. But it didn't work with the Supreme Court.

QUESTION: Did they not go to the operator and notify them properly?

MILLER: Oh yes. They provided the assignment. They did not ask for or obtain a release. They quit getting bills and quit getting revenue.

QUESTION: It could change the outcome of the court case if they did get a release. For any future obligations, you need to get a release.

COMMENT: Like you said, there has to be some sort of reason to give the release. You're the operator and you get a letter saying they want a release from all future obligations and you as the operator are sitting there saying, "Why? What are you worried about?"

ANOTHER COMMENT: Someone stronger financially than you are and the operator would like to have that bigger balance sheet.

ANOTHER MAN: Why give a release when you're under no obligation to give one?

COMMENT: He's a good Samaritan.

QUESTION: Is the AAPL thinking of changing their model forms to reflect this in any way?

MILLER: I'm sure they are. I bet the next model form has some clear language. They may have addressed it with the new COPAS and that would seem to work

QUESTION: But that doesn't cover all the old agreements that are already in place.

MILLER: No.

COMMENT: That's where your risk is.

MILLER: If you're in an operating agreement now and you can get the parties to agree, even if they just adopt a new COPAS that has this new language, that ought to do it. It's just something that would make you sleep better at night.

JIM HENRY: If the non-operators were owed \$200,000, is the Supreme Court's logic that this non-operator could get rid of his obligation by just assigning it to someone and then he no longer owns it, like a bankrupt company?

MILLER: That was a sub-issue in this case. Eland was in a position when they sold it at this auction of having done the diligence that EBCO does. They investigate the credit worthiness of the bidders at the auction. It wasn't like they dumped it to some shell company knowing these wells were spiraling down and there were going to be plugging obligations. If that had been the case, I would be less sympathetic, too. On the equity side, but still legally, if you accept the assignment, you're the operator it doesn't seem fair to go back in time and find a pocket.

HENRY: Could you not accept the assignment?

MILLER: I think you have to accept the assignment under the JOAs. You can't refuse to accept a transfer of ownership to some other company.

BRADY: There was no reason not to at that time. Like it or not, we had an instance on a sale of a property come up where we found somebody owed us a lot of money and they were about to sell. We placed a lien on that sale before it went through and we got our money. But that's a different case. If you're savvy enough to know what's going on, you're not getting paid, and someone's trying to sell out from under you, like we found out, you just go and call Brad (Miller) and put the lien on it. We got a check from the buyer.

COMMENT: We had a property we bought where the partner was already in arrears, wasn't current. When we bought the property, we bought the rights to the debt, also. We bought their liability and the operator's interest and then we bought the debt and we able to foreclose on the deadbeats and take their interest.

BRADY: That's a whole different story. With Brad, this thing is future bad behavior.

MILLER: It's like co-signing on a loan with your former brother-in-law and four years later he quits paying on the car. The note holder wants to sue you and the brother-in-law, who might be in prison or wherever, and you're not married to his sister anymore. You've got this contingent liability. The difference on that situation is that you knew you signed the note and you knew there was a chance the brother-in-law might not pay. But in the oil and gas industry, when you assign it to company A and you've paid all your obligations, paid your taxes, you're square with the operator and all your former partners, you don't expect to get a letter in the mail from someone like me four years later saying, "Hey, there's a debt on this property and you owe it."

BILL RUTTER: I sold some production to Exxon and Exxon has now sold it to Pioneer. If Exxon becomes a deadbeat, then they can come back to me.

MILLER: Yeah, but you'll probably be OK.

BRADY: Don't you think they spent more than \$200,000 fighting this, taking it all the way to the Supreme Court?

MILLER: Yes. I'm sure they recovered some attorneys' fees; it said so in the case. It didn't say how much. That was only through the trial level. I don't know if it got them through the appellate level. It's expensive to litigate in the Supreme Court, as some of you may know.

QUESTION: What is Tom Craddick's position?

MILLER: I don't know. But I do know if it's favorable to the industry and if a majority of the industry wants it, I think Tom would be for it. I'm not sure anyone has put it to him yet. It's something we need to address with him, certainly PBPA has done it or will be doing it in the near future. That would be the guy to get behind you.

RUTTER: You have to be careful how you word that so they don't misinterpret it and come up with something we don't want. I guess it's too late for this Legislature.

DIMIT: I guess Seagull doesn't ever plan on selling any properties. They set the standard for getting \$200,000, but now they're under the same problem, too. That was stupid on their part.

MILLER: They created a bad law. If you're a contract operator only, this would be great for you. But if you're going to own properties that you operate, you're probably going to own a bunch you don't operate and you'd like a certainty that this industry normally has with these operating agreements. But it's now been turned on its head by the Supreme Court.

DALWORTH SPRING SEMINAR

Our 2007 Dalworth Spring Seminar was held at XTO Energy on Thursday, May 17th. Our main topic was "Cradle to Grave". We had very informative speakers who spoke on finding oil and gas, taking the lease, drilling, producing, and marketing, and finally the Division Order process.

It was a great turnout with over fifty attendees. On behalf of Dalworth, thank you to all who were able to attend. I hope that everyone was able to walk away with the feeling of a worthwhile learning experience.

Should you have any ideas or suggestions for future educational opportunities, please let me know. I may be reached at (817) 885-2612 or Kori_Berend@xtoenergy.com

HAPPY 4TH OF JULY