

SYLLABUS MODULE 3 – THE OIL & GAS LEASE
 PROFESSIONAL LAND MANAGEMENT CERTIFICATE PROGRAM – MIDLAND COLLEGE PPDC
 JANUARY 8, 2013 – FEBRUARY 1, 2013

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Course Name and Overview	<p><u>Module 3: Analyzing, Negotiating and Calculating the Oil & Gas Lease</u></p> <p>In Module 3, we focus on the oil and gas lease, often described as the cornerstone contract of the oil and gas industry. Without it, oil and gas companies would be unable to enter the land of the mineral owner. That is, the lease itself grants “permission” to the oil and gas company to develop the mineral interest. As such, the oil and gas lease and its specific provisions will be examined in detail by utilizing a Sample Lease Guide identifying key provisions, including terminology and intent. A specific focus will be given to the Pooling provision via a separate webinar in Week 3. We will also study common terminology used in interest calculations including working interest, leasehold interest, net revenue interest, overriding royalty interest and gross and net acres. These terms will be applied via online tutorials covering Interest Calculation problems in the text. Finally, we review the critical skill of negotiating the oil and gas lease including common amendments that are often part of the negotiation process. A focus on various techniques to increase the likelihood of closing the deal will also be presented.</p>
Objectives	<p>By the end of Module 3, students will be able to:</p> <ul style="list-style-type: none"> • Understand the standard provisions of an oil and gas lease including the Mother Hubbard Clause, the Habendum Clause, the Force Majeur Clause, the Dry Hole Clause, the Continuous Drilling Clause, etc. • Negotiate an Oil & Gas Lease • Understand Common Amendments to an Oil & Gas • Understand Interest Calculations Terminology including Mineral Interests, Working Interests, Net Revenue Interests, Overriding Royalty Interests, Leasehold Interest and Gross and Net Acres • Calculate Oil & Gas Leasehold Interests including bonus payments, rental payments, net revenue interests, working interests and overriding royalty interests. • Distinguish between Pooling and Unitization • Distinguish between Voluntary Pooling and Forced Pooling • Understand the Pooling Provision and its Impact including formulas used to calculate royalty when the properties of different royalty owners are included in a pooled unit. • Analyze Pooling Provision Problems
Required Texts	American Association of Professional Landman Land Reference Guide
Final Exam	Available On-line.