

## Chapter 1 : Online Training - Petroleum Education

*Land and Leasing is especially useful for landowners, oil and gas investors, oil company employees, land professionals, and anyone interested in becoming a land professional. Appendices offer supplemental information on regional leasing practices and calculating interests.*

A leader in the field of land management training, Alyce is a highly credentialed, engaging and professional speaker with years of experience in the oil and gas industry. Through Land Training, she also teaches online courses through Midland College Professional Petroleum Development Center, and has also taught these online classes at the University of Texas. Smart, informative and humorous all at the same time. This MC experience has been just grand. Thank you ever so much. I will continue to recommend these classes because I have seen the benefits! I see nowhere you need to improve. Overall rate 10 out of Houston Exploration Company As I am relatively new, it was all most helpful and presented so well in a short time. Really keeps your attention. I would rate this speaker as excellent. She was extremely organized, provided excellent materials and was a dynamic speaker. Alyce is an excellent and talented speaker. She would do well with any topic. Alyce is a great speaker, easy to follow. I would highly recommend to others. Anna Fuentes- Hilcorp Alyce was very energetic. I would heartily recommend her as a speaker. Very excellent and humorous presentation! George Miller- Blackstone Minerals Co. Alyce is a I finally understand the types of trust, inter-vivos and testamentary. Also learned rules of descent. I would highly recommend her! Houston Exploration Company I think you do a great job in teaching. I would tell everybody to take your class. It is for both beginners and seasoned people. Houston Exploration Company Our Client Companies About Us Through Land Training, land management expert Alyce Hoge offers online courses, on-location training, and free resources and tutorials to help land management professionals get registered and get to work. An attorney, Certified Division Order Analyst, and Certified Professional Lease and Title Analyst, Alyce is an oil and gas industry veteran whose humorous training approach marries best practice theory with practical application to turn land professionals into land experts.

## Chapter 2 : Mineral Leasing Act of - Wikipedia

*Note: Citations are based on reference standards. However, formatting rules can vary widely between applications and fields of interest or study. The specific requirements or preferences of your reviewing publisher, classroom teacher, institution or organization should be applied.*

Three Bottom Lines If we go back in time to the days before drilling and mining, real estate transactions were fee simple transfers. However, once commercial mineral production became possible, the ways in which people own property became much more complex. Today, the leases, sales, gifts and bequests of the past have produced a landscape where multiple people or companies have a partial ownership of or rights to many real estate parcels. Most states have laws that govern the transfer of mineral rights from one owner to another. They also have laws that govern mining and drilling activity. These laws vary from one state to another. If you are considering a mineral rights transaction or have concerns about mineral extraction near your property, it is essential to understand the laws of your state. If you do not understand these laws, you should get advice from an attorney who can explain how they apply to your situation. Large mining trucks are loaded with coal at this surface mine. Here two thick coal seams are being removed. Surface mining involves stripping away all overburden rock and soil above the coal seam, removing the coal, replacing the overburden and revegetating the land. Surface mining completely disturbs the land and produces a new landscape. It can be done when coal seams are close to the surface. Depending upon coal quality and other factors, about ten feet of overburden can be removed for each foot of coal. The fee simple owner may not have the interest or the ability to produce the coal beneath his property but a coal company does. In this type of transaction, the owner wants to sell the coal but retain possession and control of the surface. The coal company wants to produce the coal but does not want to pay an additional price to acquire the buildings and the surface. So, an agreement is made to share the property. The original owner will retain the buildings and rights to the surface, and the coal company will acquire rights to the coal. The transaction can involve all mineral commodities known or unknown that exist beneath the property, or, the transaction can be limited to a specific mineral commodity such as "all coal" or even a specific rock unit such as the "Pittsburgh Coal". When the coal is too deep to surface mine, a mining company will build an underground mine. They can tunnel into the coal seam or drill a large shaft down to the mining level. These shafts are large enough to lower mining equipment and workers into the mine and remove coal. Extra shafts must be built to ventilate the mine. Underground mining can damage the surface because the rooms and passages usually close through collapse or settlement over time. Sometimes the damage occurs after responsible individuals are dead and the mining companies are defunct. Thus, no one to sue. Or, the contract that conveyed the mineral rights gave the mining company immunity. Bureau of Land Management Image. When you buy a car you simply pay for it, file a title transfer with the government and drive the car home. When the car is worn out, it goes to the junk yard and the only thing that remains is a memory. However, when mineral rights are purchased, the buyer and all future mineral rights owners will have a right to exploit the property. And, the seller and all future surface owners must live with the consequences. Usually, mineral extraction will occur at some future time. Mining companies often schedule their equipment and employees years in advance. Or, the mining company might purchase the property as a future "reserve. They are simply buying the property as an investment. Their goal is to sell the mineral rights to a mining company who will assume the duties of production. Speculators who have no intent to mine purchase lots of mineral properties. They are simply attempting to be "middle men" who acquire valuable property from individual owners and broker those properties to mining companies for higher prices. These "speculator" buyers also frequently use options. In an option transaction, they offer the property owner a small amount of money today for the option of buying the property at a specified price on or before a specified date in the future. The speculator then quickly tries to find someone who will pay an even higher price and make a significant profit. If the speculator fails to pay the specified price by the expiration date, the property owner keeps the option payment. When a company buys mineral rights, it also buys the right to enter the property and remove the resource at some future time. In most of these transactions, the surface owner has no say in when the mining

takes place, how it will be done and what will be done to restore the property. Most disagreements between buyers and sellers occur at the time of mining. If the seller wants any control at that time, he must anticipate what might go wrong and write a contract that will preserve his wishes. Keep in mind that your grandson might own the property when extraction occurs. You were paid up front but he will live with the deal. How many tons of coal are down there? This is a fairly easy calculation. An acre-foot of coal is one acre in area and one foot thick. It weighs about tons. Calculating the number of tons of coal beneath a property involves two multiplications. Multiplying the number of acres times the average thickness of the coal would yield the number of acre-feet of coal beneath the property. The number of tons obtained in this calculation is the total tons below. The number of tons that can be recovered will be a much smaller number. A professional geologist or a state geological survey might be able to help you determine if coal seams exist beneath your property. They might also have an estimate of how thick those seams might be. Mineral Leases and Royalties

Sometimes a mining company does not want to purchase a property because they are uncertain of the type, amount or quality of minerals that exist there. In these situations the mining company will lease the mineral rights or a portion of those rights. A lease is an agreement that gives the mining company the right to enter the property, conduct tests and determine if suitable minerals exist there. To acquire this right the mining company will pay the property owner an amount of money when the lease is signed. This payment reserves the property for the mining company for a specific duration of time. If the company finds suitable minerals it may proceed to mine. If the mining company does not commence production before the lease expires, then all rights to the property and the minerals return to the owner. When minerals are produced from a leased property, the owner is usually paid a share of the production income. This money is known as a "royalty payment. It can be a fixed amount per ton of minerals produced or a percentage of the production value. Other terms are also possible. When entering into a lease agreement, the property owner must anticipate any activities that the lessee might do while exploring the property. This exploration might include drilling holes, opening excavations, or bringing machines and instruments onto the property. Defining what is allowed and what restoration is required is part of a good lease agreement. Should you sign a gas lease? A discussion of the factors landowners need to consider before signing a gas lease on their property. Oil and Gas Rights Mineral rights often include the rights to any oil and natural gas that exist beneath a property. The rights to these commodities can be sold or leased to others. In most cases, oil and gas rights are leased. The lessee is usually uncertain if oil or gas will be found, so they generally prefer to pay a small amount for a lease rather than pay a larger amount to purchase. A lease gives the lessee a right to test the property by drilling and other methods. If drilling discovers oil or gas of marketable quantity and quality, it may be produced directly from the exploratory well. To entice the property owner to commit to a lease, the lessee generally offers a lease payment often called a "signing bonus". This is an up-front payment to the owner for granting the lessee a right to explore the property for a limited period of time usually a few months to a few years. If the lessee does not explore, or explores and does not find marketable oil or gas, then the lease expires and the lessee has no further rights. If the lessee finds oil or gas and begins production, a regular stream of royalty payments usually keeps the terms of the lease in force. One problem that can occur is when the lessee discovers oil or gas but has no way to transport it to market. In addition to a signing bonus, most lease agreements require the lessee to pay the owner a share of the value of produced oil or gas. The customary royalty percentage is Some states have laws that require the owner be paid a minimum royalty often However, owners who have highly desirable properties and highly developed negotiating skills can sometimes get 15 percent, 20 percent, 25 percent or more. When oil or natural gas is produced, the royalty payments can greatly exceed the amounts paid as a signing bonus. Royalty estimation tool for dry natural gas. Stratigraphic Column Stratigraphic Column: The Marcellus Shale is the target of many gas wells in Pennsylvania. In some parts of the state it is immediately above the Onondaga Limestone. The Utica Shale is located beneath the Onondaga. Here is a quote from the Pennsylvania Department of Environmental Protection website that explains the significance: In fact, your only protection is if your oil or gas property is subject to the Oil and Gas Conservation Law, 58 P.

### Chapter 3 : What Is the Difference Between Leasing BLM and Forest Service Lands? | The Oil and Gas Re

*(1) Existing law vests exclusive jurisdiction over ungranted tidelands and submerged lands owned by the state to the State Lands Commission. Existing law confers the powers of the commission as to leasing or granting of rights or privileges to lands owned by the state upon a local trustee of granted public trust lands to which those lands have been granted.*

Listed below are the current topics being offered. If you would like to enhance your knowledge in one of these you can sign up today and begin accessing the class. All classes offered through this online training are self paced and support is available from one of our industry experts. A Comprehensive Study on Property Ownership and Transferring Title Understanding property ownership and transferring title is critical for all those working in land and land administration. This course takes an in-depth and thorough look at the subject - studying land and mineral ownership in the United States, differing types of property ownership, the rules surrounding mineral and royalty ownership, the rules for conveying property, varying types of conveyances, testate and intestate succession and the many types of title transfers that result from court actions. This course is one of the most comprehensive studies ever offered to the oil and gas professional. An Introduction to Petroleum Land Management Choosing a career as an oil and gas landman or land administration professional is one that is highly sought after by many individuals. These types of jobs can be rewarding both personally and financially offering an income that can be substantially greater than many other professions that require far more training. This class is excellent for those wishing to examine the subjects and tasks the land professional is called upon to manage including: Becoming a Great Negotiator By its very definition a negotiation is a dialogue between two people intended to resolve disputes or produce an agreed consensus. We negotiate for many reasons. However, we are not born a great negotiator. Great negotiators learn their craft! The purpose of this course is to reveal practical negotiating tools that, if mastered, can help anybody negotiate through business and the issues of life. Contracts used by Petroleum Land Management Contracts are the heart and soul of the oil and gas industry which uses a number of unique agreements in order to explore for, develop, produce, and market oil and gas. This course will provide an understanding of contract law and is designed for all oil and gas professionals or those having a desire to work directly or indirectly in land or land administration. Critical Legal Concepts Related to the Land Professional Crucial information dealing with a myriad of critical concepts surrounding the land profession and the oil and gas industry are covered in this class. Subject matter covers state specific title issues and statutes that impact how oil and gas interests are interpreted, calculated and maintained; specific language in conveyances and how each word or the placement of the words impact the conveyance outcome; and state specific legal concepts surrounding doctrines of oil, gas, royalty, trespass, pooling, types of ownership, and ownership theories. This class is designed to offer specialized instruction for the landman, land tech. Besides studying lease obligations and clauses, participants will also be involved in studying right-of-ways and surface agreements, legal descriptions including metes and bounds, calculations, federal leases, regulations and unique laws for several states. Numbers Tell a Story, Calculating Your Division of Interest Even those who have been doing oil and gas calculations for years would agree that calculating interests can sometimes be confusing. This on-line class is not only fun and creative; it is also insightful and full of hands-on oil and gas issues that can be mastered. At the end of the class they will have a fuller understanding of the rules related to title conveyances, burdens, net revenue interests, overriding royalty interests, farmouts, payouts, and non-consenting interests.

### Chapter 4 : Bill Text - AB State lands: leasing: oil and gas.

*Driven by the Trump administration's pro-drilling policies, the oil and gas industry is nominating millions and millions of acres of public lands for leasing.*

Join our newsletter and get a free copy of "Maximizing Your Minerals" Discover how you can: Top 10 Things To Do Every day across America, mineral owners are contacted with oil leasing or gas leasing proposals regarding their oil and gas mineral interests. However, those willing to do a little homework can maximize the benefits from their mineral ownership by employing these tips. Make sure you know which other family members are in the mix. To the extent possible, speak to the oil company as one voice. Gas leasing and oil leasing often involve many within the same family. They often have incentives as you might guess to negotiate the best oil and gas lease for the oil company. Development of an oil or gas field is a dynamic process that unfolds over time as in years. By matching one oil and gas lease to each contiguous tract, the issue of whether a tract is held by production from another tract is all but eliminated. Gather Your Lease Paperwork Gather any and all supporting documents related to your ownership both mineral and surface. Take time to review these prior to entering into substantive talks about an oil lease or gas lease. The name of the geologic formation to be drilled ask the landman what it is Research Current Wells in the Vicinity All wells are not created equally! The internet offers a relatively easy way to get a feel for any current wells in the area of interest. Go to the website of the State Regulatory Agency which oversees oil and gas activity in the appropriate state. Use the search function to search for things like currently producing wells, the names of Operators in the area, recent drilling permits etc. Be Nice Good manners are never out of fashion. Courtesy and integrity always count. Offer to buy or make the coffee and cookies should you meet personally. Once an oil lease or gas lease is signed, the oil company will be issuing bonus payments and future royalty payments to the entity or name listed on the lease. Oil and Gas Basics for the Mineral Owner Article explaining the basics of oil and gas production written for mineral rights owners. Topics include drilling, production, pricing and marketing. Saturday, November 10th,

## Chapter 5 : Oil and gas law in the United States - Wikipedia

*Petroleum Lands and Leasing [Joan Burk] on calendrierdelascience.com \*FREE\* shipping on qualifying offers. Book by Burk, Joan.*

Overview[ edit ] Drilling companies most often lease the rights to drill for and produce oil. The law regulating oil and gas ownership in the US generally differs significantly from laws in Europe because oil and gas are often owned privately in the US as opposed to being owned by the national government in many other countries. Jurisdiction[ edit ] In the U. Federal and constitutional law apply as well. Ownership[ edit ] In the United States, oil and gas rights to a particular parcel may be owned by private individuals, corporations, Indian tribes, or by local, state, or federal governments. Oil and gas rights extend vertically downward from the property line. Unless explicitly separated by a deed, oil and gas rights are owned by the surface landowner. Oil and gas rights offshore are owned by either the state or federal government and leased to oil companies for development. The tidelands controversy involve the limits of state ownership. Although oil and gas laws vary by state, the laws regarding ownership prior to, at, and after extraction are nearly universal. Prior to and at extraction[ edit ] Because oil and gas are fluids, they may flow in the subsurface across property boundaries. In this way, an operator may permissibly extract oil and gas from beneath the land of another, if the extraction is lawfully conducted on his own property [1]. An operator may not angle a well to penetrate beneath property not owned by or leased to him. The two conflicting legal doctrines covering oil and gas extraction are the rule of capture , and the correlative rights doctrine. Which of the doctrines applies in a particular case depends on state law, which varies considerably from state to state, or in the case of the federal offshore zone, on U. The rule of capture gives landowners an incentive to pump out oil as quickly as possible by accelerating operations or drilling multiple wells to capture the oil of their neighbors. Such practice may deplete the gas pressure needed to force oil from the ground, which will reduce the amount of oil available for recovery from that reservoir. State law often limits the rule of capture to protect correlative rights of neighboring owners. Split estates[ edit ] Mineral rights may be severed by a deed from the surface rights. Such a condition is called a split estate. Once severed from surface ownership, oil and gas rights may be bought, sold, or transferred, like other real estate property. Ownership in the oil and gas rights for different horizontal layers, or strata, may be further divided and sold to different parties. In some states, severed mineral rights revert to the landowner if the mineral right not exercised for a certain time period. Courts have generally held that, without this implied right of access and surface occupancy, ownership of the oil and gas rights would be meaningless. This is called subsurface supremacy. Ownership of extracted oil and gas[ edit ] Refined hydrocarbons that escape into the ground are not subject to the law of capture , unless evidence shows that the refiner abandoned them. Often, the company the lessee leases the mineral rights from the owner the lessor. Major points in a lease include the description of the property, the term duration , and the payments to the lessor. Lessees of mineral rights have a right of reasonable access to leased land to explore, develop, and transport minerals [6] , unless the lease specifies otherwise a "no-surface access" lease. Term of the lease[ edit ] A lease remains in effect for a certain period of time, called the primary term, as long as the lessee pays the annual rental. The lease expires after the primary term, unless drilling or oil and gas production has started on the lease. If production is established, the lease will remain in effect past the primary term, as long as the lease continuously produces oil or gas. The lease can however, be revived by virtue of delay rentals. Delay rentals are fees paid to the lessor, to delay production or commencement of drilling, without terminating the lease. There are other clauses that also revive the lease. To commence drilling a well under the habendum clause means that substantial preparations for such drilling has to be undertaken, as long as such measures have been commenced in good faith and with due diligence [7]. The habendum clause sets out these terms, as well as most significantly, identifying the parties to the transaction and their interests in the conveyed real property. An oil and gas lease generally includes a force majeure clause. This Act of God must completely prevent performance and must be unanticipated. Courts often construe this clause very strictly and rarely enforce it. For example, a tornado preventing performance in Oklahoma would not trigger the force majeure clause, since tornadoes are a

common occurrence in Oklahoma. The Responsible Federal Oil and Gas Lease Act , also called the "Use It or Lose It" bill HR IH , proposed prohibiting the Secretary of the Interior from issuing new federal oil and gas leases to holders of existing leases who do not either diligently develop the lands subject to such existing leases or relinquish such leases. Pugh clauses[ edit ] Unless specified otherwise, establishing commercial production from a single well within the lease will hold the entire lease as long as production continues. Language to the contrary is called a Pugh clause. A Pugh clause may specify that a producing well may hold only a specified area around that well; after the primary term, the mineral owner is free to lease the rest of the land to others. A vertical Pugh clause limits the lease to certain depths or certain geological formations. A common form of a vertical Pugh clause limits the depths held by production from the ground surface down to the deepest producing formation established by the end of the primary term. Payments[ edit ] Payments to the lessor typically take three forms: The bonus is an up-front payment made at the time the lease takes effect. The rental is an annual payment, usually made until such time as the property begins producing oil or gas in commercial quantities. The royalty is a portion of the gross value of any oil or gas produced from the lease that is paid to the mineral owner. It is not a portion of profits, for it is paid without deducting costs of drilling, completing, or operating the well. Whether or not the operator can deduct costs of treating, transporting, or marketing the oil and gas, if not specified in the lease, has been a matter of legal dispute. The traditional royalty rate for oil and gas in the United States was one-eighth. Some states, such as Pennsylvania and West Virginia, have set the legal minimum royalty for private oil and gas leases to one-eighth. An "unless" oil and gas lease terminates automatically, if the lessee fails to drill within the specified time or pay the delay rentals as called for in the lease [11]. Contract[ edit ] Oil and gas contracts have nuances which differ from standard contracts. For example, when an assignment of an oil and gas lease expressly provides that any extension or renewal of the lease is subject to an overriding royalty , a new lease that is substantially similar to the first lease and procured by the assignee during the term of the first lease, is regarded, as a matter of law, as an extension or renewal of the first lease. It affirms the right of an individual party to obtain insurance, not to protect the interests of the indemnitee. The two most common contractual agreements entered into by oil and gas companies are the Farmout Agreement and the Joint Operating Agreement. A farmout agreement, generally, is between one company that owns a lease, and another company that wishes to drill the property. The company wishing to drill, called the farmee, provides drilling services in exchange for a majority interest in the lease owned by the farmor. In such cases, the various interests sign a Joint Operating Agreement, a contract entered into by two or more ownership or leasehold co-tenants to jointly explore and develop the oil and gas property, including operations, voting mechanisms, subsequent operations, risk-sharing, indemnities and exculpatory provisions, revenue allocation, title examination and title issues, and future acquisitions and divestitures in the contract area. One company is designated as the operator, and operates the property on a day-to-day basis. An interest signifying a duty to pay expenses is called: The owner of a working interest will also own a corresponding, but usually lower, net revenue interest. Interests in receiving income include: When a mineral owner signs a lease, he receives a royalty interest. A person or company may receive an overriding royalty by a contract with an owner of a net revenue interest. This is typically received for performing some service for working interest owners. The original owner of an oil and gas lease will sometimes retain an overriding royalty as part of a farmout agreement. In education and practice[ edit ] Law school classes teaching oil and gas law generally require that students first take a class in property and contract law. In Texas and Wyoming , oil and gas law is tested on the bar exam. Oil and gas law practitioners usually fall into three broad categories. First, oil and gas companies usually have in-house attorneys that advise the company of its rights and the legal issues. These attorneys are usually assisted by landmen , who examine property titles, land oil and gas rights, and acquire property for the company. Landmen may be lawyers themselves. Second, practitioners may represent private parties. When an oil company attempts to obtain land from a private party, a party may retain counsel to be better informed of his or her rights and to negotiate a favorable bargain with the oil company. Last, oil and gas attorneys work for federal and state governments that oversee energy and environmental policy and land acquisitions. There are several not-for-profit foundations that exist to further the practical and scholarly study of oil and gas law, for example the Energy and Mineral Law Foundation and

the Rocky Mountain Mineral Law Foundation. Regulation[ edit ] Regulation of oil and gas drilling and production are largely left to the states, except for federal offshore waters, where operations are regulated by the Bureau of Ocean Energy Management. The names and organizational structures of the state agencies overseeing oil and gas extraction vary. Local control of oil and gas operations is contentious. The key legal issue is generally whether, or to what extent, state regulations preempt local controls. The result varies state-to-state. States require a drilling permit before a well begins drilling. Requirements to receive drilling permits generally include minimum setbacks from lease or unit boundaries, and adequate casing and cementing programs. States generally require permits for or notices of major work done on a well, and periodic reports of oil and gas produced. When a well reaches the end of economic production, it must be plugged according to the terms of a plugging permit. Where the onshore oil and gas rights are owned by the federal government, as is the case for much land in the western United States, the various permits must also be obtained from the Bureau of Land Management as well as the state, which may have different requirements than the equivalent state permits.

### Chapter 6 : Bill Text - SB State lands: leasing: oil and gas.

*Existing law vests exclusive jurisdiction over ungranted tidelands and submerged lands owned by the state to the State Lands Commission. Existing law confers the powers of the commission as to leasing or granting of rights or privileges to lands owned by the state upon a local trustee of granted public trust lands to which those lands have been granted.*

**Basic Description of Oil and Gas Leases** The parties and their interaction in an oil and gas lease A landowner who owns both the surface rights and the mineral rights to their farm is usually approached by a landman to begin the leasing of the mineral rights. This exploration team is assigned to your area and looks for land to lease for exploratory drilling. An oil and gas lease is created by the oil company after the landman has studied geologic maps of the area and researched deeds and acreage at the local courthouse. It is necessary to determine who owns the land and the mineral rights, since only the legal owner can be named on an oil lease. A landman only comes to a landowner when all the pieces of the proposed oil or gas lease are in place. Now the negotiations begin in earnest with each landowner and farmer in the designated area. Titles are researched and blocks of land are put together to create the lease area. Most farmers and landowners are aware that various states, in fact the majority of states, separate the mineral rights from the surface rights of the landholding. Therefore, the landman, the exploration team, and the oil company ensure ahead of time that the landowner does have the right to lease the mineral rights according to the terms in the oil and gas lease. After everything is in order, the landowner is presented with an oil or gas lease. The lease states the rights and the obligations of both the oil company and the landowner. If a landowner has very little experience with legal contracts and leases, the document can be sometimes difficult to understand. The landowner is the Lessor and the company is the Lessee. When the landowner signs the lease, the owner will be given a "Bonus. If there are producing wells near the land, the bonus can be substantial. If there is no drilling yet or none of the existing wells are not producing, the bonus will certainly be low. The landowner should check with the other landowners in the area and even somewhat further away to establish the amount of bonus the other landowners have received. There is a length of time established in the oil and gas lease. It is called the "term. Any additional amount of time after this leased time is called the secondary term. A secondary term can be written as for as long as the oil and gas are produced in paying quantities. The primary term is usually a fixed length of time, such as a year. Another part of the oil and gas lease is royalty payments. It is an agreed on percentage of the profits of the oil and gas. If the term of the oil or gas lease extends beyond the time that the bonus was paid, and a well was not drilled, then the Lessee is required to pay the landowner an agreed on sum. This is called a delay rental. The payment is due on or around the anniversary of the lease. Occasionally oil and gas companies pay this fee up front when an oil lease is negotiated and signed. There are implied covenants that are part of the agreement, such as that the Lessee will protect the property from drainage, will develop the property after drilling the first well, will conduct all operations as a careful operator, and will attempt to secure a market for the oil and gas. The Environmental Protection Agency requires that the property be returned to a usable environmentally safe condition after drilling and production on the lease site has concluded.

## Chapter 7 : Mineral Rights | Oil & Gas Lease and Royalty Information

*Leasing on National Forest System lands requires coordination between the BLM and the Forest Service throughout the leasing process. The BLM and the Forest Service share the responsibility over oil and gas leasing on National Forest System lands.*

Background[ edit ] Previous to the Mineral Leasing Act of 1920, the General Mining Act of 1872 authorized citizens to freely prospect for minerals on public lands and allowed a discoverer to stake claims to both minerals and surrounding lands for development. This open-access policy enabled a major oil rush in the West, in prompting U. Ballinger that oil lands were being claimed so quickly they would be unavailable within a few months. Following these events, Congress enacted the Mineral Leasing Act of 1920 which dictated a system of leasing and development for mining interests on federally owned lands. Mineral Leasing Act of 1920 [ edit ] Provisions in the act provide a number of functions: Enables drilling and extraction of minerals with authority granted by the government. Enables the government to manage the exploitation of leasable minerals. Enables the government to receive compensation from the lessee for the privilege of extracting minerals on federal public lands. BLM evaluates areas for potential development and awards leases based on whoever pays the highest bonus during a competitive bidding period. Leasing[ edit ] The Mineral Leasing Act "establishes qualifications for leases, sets out maximum limits on the number of acres of a particular mineral that can be held by a lessee, and prohibits alien ownership of leases except through stock ownership in a corporation. Phosphate and potassium leases have terms and conditions subject to readjustment at the end of each year period. The Mineral Leasing Act required monetary gains from the leasing of public lands to be divided three ways, except for Alaska: Petroleum[ edit ] Under the Mineral Leasing Act and later amendments, the right to produce federally owned petroleum oil and natural gas is secured for ten-year periods by competitive bidding, and goes to the party paying the highest bonus. There are three forms of payment to the government: As with petroleum, an initial bonus must be paid to the government at the time the lease is awarded. Conservation and the Gospel of Efficiency: Jacobson, and Julianne C. Holland and Hart LLP. Mineral Leasing Act Yale, Council of State Governments.

## Chapter 8 : Land Training – Land Management Training

*General Oil and Gas Leasing Instructions The BLM generally issues two types of leases for oil and gas exploration and development on lands owned or controlled by the Federal government -- competitive and noncompetitive.*

## Chapter 9 : GIS Maps & Data

*"Mineral rights" entitle a person or organization to explore and produce the rocks, minerals, oil and gas found at or below the surface of a tract of land. The owner of mineral rights can sell, lease, gift or bequest them to others individually or entirely.*