

# DALWORTH NEWSLETTER

Dalworth Association of Division Order Analyst

## President's Corner

What's hot, messy and super controversial? I hope you were thinking Title Issues in Pennsylvania, because then you would be RIGHT! Kevin Gormly and Stephanie Yuhas of Gormly, & Yuhas, LLC brought the heat with their presentation on "Hot Title Curative Issues Facing Pennsylvania Oil & Gas". The presentation was both informative and entertaining.

For instance, did you know that PA Law holds that the word "minerals" alone is insufficient in and of itself to include the oil and gas. Can you imagine the title implications alone with this law? Also, just a short time ago nearly 100 landowners filed lawsuits to try to invalidate their leases. At that time Pennsylvania law held that royalty owners were due a minimum 1/8<sup>th</sup> royalty. It was thought that by deducting transportation costs and other post production costs, the royalty was reduced and therefore they were not receiving the guaranteed 1/8<sup>th</sup> minimum. Eventually in *Kilmer v Elexco Land Services, Inc.* in March of 2009, the court ruling resulted in HB2212 legislation amending the 1/8<sup>th</sup> Minimum Royalty Act to provide for a 15% minimum royalty and to not allow for the deduction of post-production costs OR severance taxes. There is no information yet on how this impacts any pre-existing leases.

Another HOT issue in the Pennsylvania involves Quiet Title Action. Did you know that the Lessee must lease 100% of the interest? And what if you can't find an owner to lease you ask? Well the Dorman Oil & Gas Act provides for the set up of a Trust for the unknown owners and whereby the Trustee then enters into the lease with the Lessee. Typically a bank is awarded the rights to set up the Trust and the funds held, if never claimed, are paid to the State.

The last item discussed in the presentation involved the ownership of oil & gas under roadways and highways. Prior to 1937, the instrument conveying the road to the Commonwealth or political subdivision determined whether fee simple title was conveyed versus an easement or right of way. However, in 1937, statute 53 P.S. 1172-73 changed everything. Now, "any city, county school district, or other municipality shall have power .....to acquire title in fee simple to any real estate to which such municipality shall have previously acquired a lesser estate in any matter...further provided that

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as long as the municipality has been using/holding the property for a public purpose for a period of not less than ten (10) years.” What is that in English please? Any government entity that received a right of way, etc for a road/highway can acquire fee simple title by following the statutes’ requirements. Railroads, however, are different. In these cases, the intent of the original document must be examined and determined. This can be very cumbersome as the documents are often too old to read clearly. If the ownership can not ultimately be determined, owners have the option of a Quit Claim Deed from the municipality of filing a Quiet Title Action.

As you can see, while most people think of the North East as a place with a cooler climate, Pennsylvania is anything but-it’s Hot Hot Hot!!

Kelsi White  
President 2010

**DALWORTH** generously sponsored my attendance at this year’s NADOA conference, held in the beautifully set Marriott Hill Country Resort in San Antonio.

It was great to see so many of my “counterparts”, the helpful people I deal with by phone all the time, as well as meet a lot of “new” faces, from companies as far away as Canada and Pennsylvania.

The quality of the speakers and range of topics was excellent and allowed for everyone to learn something new or catch up on the latest developments in areas we handle routinely.

I particularly appreciated the sessions that covered title and curative issues in the Marcellus Shale area, as my company-like many others, is becoming active in that play. Learned, for instance that a “Prothonotary” (say that fast three times!!)-is not someone imitating a notary, but is actually the equivalent of what we call “Clerk of Deeds”.

Thank you **DALWORTH** for providing me the opportunity to further my education!!

Sincerely,

Hanna L Webster  
Sr. Division Order Analyst  
Compass Royalty Management LLC

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### NADOA Institute

First Timers Perspective of Institute  
Walking into the Hyatt Regency Hill Country Resort and Spa, I was overwhelmed by its beauty. Just as I began to wonder if my navigation had taken me to the right place, I spotted a large poster board for Institute and knew I would be in for a treat. Check-in was a breeze and a very friendly bellhop assisted me with my bags. I was in a bit of a hurry due to the fact that several of my coworkers and I signed up to show Steve Smith as well as other industry professionals how to play golf.

After being conquered by the course, it was on to the reception. There was an elegant buffet of Tex-Mex food, which made for a nice relaxing social event. What a great environment to chat with old friends as well as make new ones! It was very nice to finally meet some of the people I have conversed with over the phone and talk about things other than work. The evening was summed up with announcements of door prizes for the day; I was surprised and thrilled to win a very nice trip to Wally World-free groceries for a month! After all the excitement, it was back to the room for a good night's sleep as the next couple of days were to be filled with educational and often entertaining lectures.

Thursday was off to a very early start with breakfast at 7:30 sharp! Patrick Henry kept us all awake with his excellent speech on motivation and achieving your best. Through song and story he delivered a clear message that going above and beyond does not always require a lot of work if you can communicate well with others. This was a very inspiring start to my day. After

breakfast it was off to the lectures. I learned how to organize data via the lookup function in Excel, how to resolve conflict, whether or not it is a good idea to waive certain title requirements, probate laws for Colorado, Louisiana, New Mexico, Oklahoma and Texas, and Pennsylvania Title 101. Each lecture went just over an hour and each speaker captivated my attention with their expert knowledge and many anecdotes added for humor. I took several classes Friday as well, all of which were outstanding: covering well spreadsheets, obligations of the Lessor under the Louisiana mineral lease, revenue accounting 101, and horizontal drilling.

The whole trip was very exciting and filled with events to keep you busy all day. I was very fortunate to be able to attend, make new friends, and walk away with a sense that I had really learned something that I will be able to use on a daily basis. All of the classes I attended captivated my attention and each of the meal speakers encouraged us to act in one way or another. Be it by communicating clearly, having a political voice in our industry, or by getting our industry's message about natural gas out to the masses, thanks to Institute, I have a fresh and improved outlook on the industry and my profession.

Jeremy Black

## 2010 DALWORTH COMMITTEE CHAIRPERSONS

CONTACT	Patsy Wooten	972-788-5874
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PUBLICITY/PR	Krista Fletcher	817-885-3057
SCHOLARSHIP	Vickie Coles	972-969-3677
BENEVOLENCE & NOMINATING	Carol Pearson	972-738-8475

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.

## DALWORTH TREASURER'S REPORT

August 3, 2010 – December 1, 2010

Bank Balance	\$13,299.53
Income	\$2,077.00
Less Expenses	\$8,586.12
Ending Bal 12/1/10	\$6,790.41

## Birthday Corner

We think our members are pretty special and we want to take the opportunity to wish them a Happy Birthday on their special day!

### JULY:

LuAnn Sharp 26th

### AUGUST:

Jan Warren 1st  
Kathy Brewer 10th  
Cindy Sloan 12th  
Terry Reid 18th

### SEPTEMBER:

Connie Cordio 2nd  
Barbara Butler 3rd  
Joyce Andrews 8th  
Jeremy Black 9th  
Randy Phillips 22nd

### OCTOBER:

Karen Albritton 3rd  
Theresa Wyrick 27th  
Jill Harmon 31st

### NOVEMBER:

Joy Henderson 9th

Mary Huckabee 10th

Diane Carrera 11th

Debra Kolb 19th

Krista Fletcher 29th

Barbara Davis 30th

### DECEMBER:

Debra Henson 1st

Cindy Nuffer 5th

Malenda Pugh 8th

Lamar Voight 11th

Sharon Brennan 26th

Mary Presley 28th



## Unclaimed Property in the Oil and Gas Industry

37<sup>th</sup> Annual NADOA Institute

San Antonio, Texas October 13-15, 2010

By: G. Samuel Schaunaman, II and Pamela Wentz both are Senior Managers, in the Unclaimed Property Group, Thomason Reuters.

Mr. Schaunaman gave 5 examples of Oil and Gas Unclaimed Property issues.

1. Understanding the 1995 Uniform Unclaimed Property Act.
2. Suspended mineral proceeds.
3. Current Pay or Current Balance rules of State
4. Reporting in the State of Oklahoma may need to be reported on three different state reporting forms.
5. Reporting in the New Mexico calling for special owner notification requirement as part of the due diligence process.

### Unclaimed Property Challenges

1. Keeping up with all the different State reporting instructions.
2. Various property types, payroll, accounts payable as examples.
3. Complying with States different reporting formats.
4. Larger companies investing in computer software to make the reporting process more manageable.
5. Time to continually monitor and locate missing owners.

### Compliance Recommendations

1. Companies should adopt policies to comply with State's unclaimed property law.
2. Large companies should form internal Unclaimed Property Committee to address compliance with state laws. The committee should include someone that handles each of the different property types that are reportable.
3. Staying up to date with state regulatory developments.
4. Addressing the compliant issues due to mergers and acquisitions.
5. Companies need to develop procedures and policies in the on-going identification, tracking and reporting of unclaimed property.
6. Hiring an unclaimed property specialist for audit assistance in case your company is being audited.

### Ms. Wentz-Audits

1. Know who is auditing your company.
2. If it is a third party auditor, check with State of audit and see if they have permission to audit your company.
3. Keep good records.

For a complete copy of the handout used at the Institute, please contact Mr. SchaunamanII at 918-518-5179 or Pamela Wentz at 701-222-0134.

Thanks to Vickie Coles for providing this article.

## *2010 Dalworth Christmas Party*

*By Angie Roberts*

*This year we were fortunate enough to have our Christmas Party at the Texas Rangers Hall of Fame in Arlington, Texas. When I began booking the venue at the end of September I had no idea that it would be the future home of the 2010 American League Champions, Go Rangers! Those who attended the party were treated to a tour of the Ballpark at Arlington, and from what I heard it was pretty amazing. After the tours were completed guests enjoyed an elegant buffet dinner which was delicious. The 2011 Board was sworn in and the winners of door prizes and raffle items were announced. Overall, I was very impressed with the venue and all it had to offer, they definitely exceeded my expectations.*

*This event was a success for our organization with 104 attendees which included members and guests. We also wanted to give back to the community and held a raffle and collected toys to help those in need during the holidays. As a result of our \$100.00 Money Tree Raffle we raised \$317.00 in ticket sales and Dalworth matched donations up to \$250.00 giving us a grand total of \$567.00. We rounded that total up to \$575.00 with all proceeds going to Meals on Wheels which is an amazing organization who helps those in need throughout the year. We also collected money and toys for the Marines Toys for Tots Foundation. We collected 38 toys and \$340.00 which will go towards making children in our community smile a little bigger on Christmas Day.*

*I would have to say it was a pleasure planning this party for our organization. I hope that everybody enjoyed the party as much as I did, and I will do my best to make next year's party just as memorable.*

*Merry Christmas and Happy New Year to everyone!*



## JOB POSTINGS

### **OIL & GAS DIVISION ORDER ANALYST**

Established small company in the Oil & Gas industry is looking for an experienced **Division Order Analyst** to join its Dallas team

Requirements:

- Bachelors/Associates Degree or equivalent work experience.
- 5+ years related experience in oil and gas division orders/land administration.
- Proficient computer skills.
- Excellent organizational and communication skills.
- Enjoy small office/casual environment with professional integrity.

If you are interested, please contact us for more details. Your information is **CONFIDENTIAL**.

Send your resume to [openings@energysearchassociates.com](mailto:openings@energysearchassociates.com)

Or apply online at [www.energysearchassociates.com](http://www.energysearchassociates.com)

Call 972-628-6432 for more information.

### **Lease Analyst (Senior)**

Analyze and interpret provisions of leases, deeds, ROW agreements, mineral records, and other Agreements involving Company assets for assigned Region.

Maintain payments for leases. Track and consider the impact of changes in mineral law that may affect operations; incorporate any needed changes into work processes. Responsible for maintenance of all necessary instruments in County records.

- Analyze, prepare and maintain lease and mineral records for properties, including both operated and non-operated.
- Conduct research, calculate interest, verify titles for leases, mineral deeds, conveyances and assignments.
- Set up Divisions of Interest according to prospects, and tie producing properties to the appropriate leases.
- Monitor, analyze and submit documents for rental, minimum-royalty and shut-in payments.
- Determine working interests and burdens associated with interests, based on title analysis of deeds, assignments, purchase and sale agreements, probate documents, leases and royalty Agreements.
- Act as liaison to Accounting, Marketing and Operating departments, and respond to property related inquiries as needed.
- Update system on Final Reports, sundry Notices, Disposition Letters, and First Pay Notices.
- Oversight (and performance of) clerical functions as needed to maintain lease records.
- Prepare weekly, monthly and quarterly reports for lease expiries and rentals.
- Assist in Land deals pre-closing and post-closing, prepare land schedules, assignments, and carry out updates to land management system.

#### **Qualifications:**

- BS degree with 4+ years lease records/division orders experience (will consider high school diploma with 8 + years).
- Working knowledge of Land operations and Administration.
- Computer and software skills.
- Communication and interpersonal skills.

Brad Armentrout

Horizon Energy Search

[brad@horizonenergysearch.com](mailto:brad@horizonenergysearch.com)

direct 281.990.6000

**Division Order Analyst (Senior)**

Analyze and interpret provisions of Leases, deeds, rights of way, mineral records and other Agreements involving Company assets for assigned Region to facilitate the distribution of proceeds from oil and gas sales and collection of well expenses.

This individual will maintain ownership records of producing properties in assigned Region. They will also analyze legal changes that may impact minerals and operations and will incorporate those changes into work process as needed.

- Determine working interests and burdens associated with interests based on title analysis of deeds, assignments, purchase & sale agreements, probate documents, leases and royalty agreements.
- Draft summary analysis of chain of title based upon reviews.
- Analyze division order title opinions and associated documents.
- Process probate information and transfer documents from interest owners to maintain a correct division of interest.
- Maintain and correct divisions of interest when payouts and recompletions occur.
- Act as liaison to Accounting, Marketing and Operating departments when necessary to respond to interest owner inquiries.
- Update system on Final Reports, Sundry Notices, Disposition Letters, and 1st Pay Notices.
- Prepare AFE billing forms and provides to other departments.
- Prepare and monitor Division orders and revenue and royalty billing decks.
- Prepare and file unit declarations and amendments.
- Update appropriate land systems with unit declarations.
- Oversight (and performance of) clerical functions as needed to maintain Division order records.

**Qualifications:**

- Bachelor's degree and 4+ years lease records/division orders experience (will consider High School Diploma 8+ years related experience).
- Knowledge of land operations and administrative process in oil and gas industry.
- Computer and software skills.
- Communication and interpersonal skills.

Brad Armentrout

Horizon Energy Search

brad@horizonenergysearch.com

direct 281.990.6000

**SOUTHWEST PETROLEUM COMPANY, L.P.**  
Dallas, Texas

### **ACQUISITION POSITION**

Preferred Skills and Qualification:

2 to 3 years of current experience in the oil and gas industry

Great Phone Skills

Salesmanship Skills/Sales experience

Division Order Knowledge

Oil and Gas Lease Knowledge

Understanding of Mineral Deeds and Warranty Deeds

Land Title Experience (working in courthouse on in-house title curative)

Microsoft Office/Excel/Word

[www.Drillinginfo.com](http://www.Drillinginfo.com) Experience

Clean Background Check

This is a multi-tasking, challenging position in a fast paced but small office work environment.

Contact:

David Kundysek

Phone 214-361-5949 ext 104

Fax 217-361-6460

[Daivd@southwestpetroleum.com](mailto:Daivd@southwestpetroleum.com)

Fax or email resume

### **Manager Central Land Administration, Red Willow Production Company**

This position is located in Ignacio, CO

Position closes on 11/30/2010

#### **Description**

Supervises central land department staff, including land records personnel, division order and central land administration personnel. Establish practice and processes to ensure that all necessary documents and instruments supporting the title and interest for Red Willow interest properties, both operated and non-operated, are obtained and maintained in an orderly and accurate filing system. Works with Red Willow staff and partners to obtain, maintain, and access land and division order records. Oversees and maintains electronic and physical records management process to ensure compliance with Red Willow policy and practice. Manages department staff to timely and accurately set up and maintain interests in the Red Willow data bases(s); oversees the preparation, distribution and documentation of all land department records and establishes processes and organizational structure to ensure lease protection and contractual obligations.

#### **Minimum Requirements**

Must have a Bachelor's degree in Business, Accounting or closely related discipline and ten years progressive experience in land property records, division orders or oil and gas contracts; OR a high school diploma or equivalent and fifteen years progressive experience in land property records, division orders or oil and gas contracts. Must have advanced computer skills

in a Windows environment with word processing. Must be a proven manager of people and demonstrate the ability to develop technical and team work skills in staff. Must have significant demonstrated skill in identifying and resolving database and arithmetic errors. Knowledge of leases and title documents is required. Must have strong organizational skills. Must have a willingness to assist others, learn new skills, and participate in a productive team oriented environment. Must have valid driver's license for state of residency and be insurable under the RWPC vehicle insurance policy. Must pass a pre-employment drug test and criminal history background check.

Interested parties can view the actual posting at <http://www.southernuteoa.com/OA/JobOrders/Details.aspx?jobOrderId=6082> and click the Apply Online button to apply online. If unable to apply online, the applicant should contact our HR Dept at 970-563-5064 to obtain an application form. In order to be considered, the applicant must submit a completed application, and of course professionals always submit a resume with the application.

**MEMBERSHIP APPLICATION OR RENEWAL**

*Dear Dalworth Member or Applicant for Membership:* and have that person sign the form where indicated. Our 2010 directory will close on **March 1st**. 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 1st**, your name will appear in the 2010 DALWORTH Directory.

**REQUIRED INFORMATION**

Name: \_\_\_\_\_  
 Company: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 City/State/ZIP: \_\_\_\_\_ E-Mail \_\_\_\_\_  
 Telephone Number: (     ) \_\_\_\_\_ Address: \_\_\_\_\_  
 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 the publication of a new directory that is inclusive of other industry related groups as well? Y\_\_ N \_\_

**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 DALWORTH 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  
 (Needed for first time member only)

Mail check and this form to:

Karen Albritton  
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Fort Worth, TX 76102 Make checks payable to: Dalworth Association of Division Order Analysts or use the abbreviation Dalworth.  
 Have questions? Call Karen Albritton at 817-869-4275 or email at [kalbritton@rangeresources.com](mailto:kalbritton@rangeresources.com)

## CHANGED YOUR NAME OR ADDRESS?

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