



# The Override

Every Landman Wants One!

Volume XII, Issue IV

March, 2020



## Presidents Message

Jessica Bradley, CPL  
President  
Warren E&P, Inc.

We are in uncertain times. Oil prices plummeted over the last week, and news reports are swirling around the growing concern of the corona virus and its impacts. In an effort to keep our members safe, we cancelled the March 19, 2020 Luncheon Seminar with AAPL President Jay Beavers and Attorney Willis Hon.

Whether you find the pandemonium warranted or nonsensical, we cannot ignore the lines of customers at every store for household items like water, toilet paper, disinfectant wipes, and hand sanitizer. Aisles of empty shelves at supermarkets and big box stores have only added to the alarm.

Stay safe, and take care of yourselves and your families.

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## Meeting Luncheon Speaker



**Jay Beavers, CPL**, current President of AAPL and **Willis Hon, Esq** of Nossaman LLP were scheduled to speak at our meeting on Thursday, March 19th. Due to the

concern of the corona virus and its impacts, the luncheon/meeting has been cancelled.

Jay Beavers has offered to make his presentation from the AAPL office in Fort Worth. He can schedule for his speech to be delivered at noon our time on Thursday. We are still working out the details for this presentation and will keep you informed of the particulars.



**Willis Hon's** presentation will be scheduled at a later date, yet to be determined.

## Scheduled LAAPL Luncheon Topics and Dates

March 19, 2020

Meeting will be held via live streaming.

Speaker: Jay Beavers, CPL  
AAPL President 2019 - 2020

May 21, 2020

Mike Mills, Esq, Stoel Rives  
Sarah Taylor, Esq, Stoel Rives

"It's 11 o'clock. Do You Know  
Where Your Pipelines Are?"

Officer Elections

September 17, 2020

West Coast Landmen's Institute  
In Lieu of Meeting

November 19, 2020

TBD

January 21, 2021

TBD



## Opinionated Corner

**Joe Munsey, RPL  
Director**

**Publications/Newsletter Co-Chair  
Southern California Gas Company**

Spring is in the air once again and we have made the passage into Daylight Saving Time. The body still thinks it has lost an hour of sleep, but we will gain that hour back come fall. All was just fine until the “scare” descended.

If you happen to be in the coveted demographic age group between 18 – 34, or as Rob Long, a contributor to *Commentary*, stated, you are referred to as “The Demo” by the buyers of advertisement; this “scare” is much like those of the past. This too will pass.

For those baby boomers, who still own the gold and thus able to make the rules, still inhabiting the planet, particularly that portion of the earth called America, this current situation will end up another yawner. For bragging rights, we had, i.) the turbulent 1960’s, ii.) the ’73 – ’74 energy crises, iii.) the ’73 – ’74 everything shortage crises, including toilet paper that past toilet paper crises started because a late-night TV Host jokingly said it looks like there is even a shortage on toilet paper), iv.) the early ’80’s energy crises and v.) Iran hostage crises. The current “scare,” this too will pass.

Take “the Greatest Generation,” they had to content with i.) the Great Depression, ii.) Nazism, iii.) the “Big Red” spread, iv.) the real Pearl Harbor Day and of course, v.) World War II. Yup, there were real shortages of everything, not manufactured shortages created by rumor mongering or a run on the store for household goods. Sadly, not many of the Greatest Generation are still with us to calm the nerves and “splain” this too will pass.

Meanwhile, for some real hard hitting and factual news to lift our morale and spirits. On January 17, in *Juliana v. United States* (Case No. 6:15-cv-01517), a federal appeals court dismissed the years-long high-profile climate change lawsuit filed by 21 young people who argued that the U.S. government violated their constitutional rights by failing to do enough to reduce climate change. Actually, the “21 young people” are not the voting public or part of “The Demo” crowd. They are high schoolers or less - the Lego block builders now sitting home clogging up the internet during working hours.

Surprisingly, it was the Ninth Circuit Court of Appeals’ three-judge panel opinion written by Obama appointees, the historically looney-tunes leaning court, who actually said it was beyond the court’s authority to “order, design, supervise, or implement” the sweeping changes the kiddos were seeking. Can you imagine that – the Ninth Circuit Court of Appeals stating it was beyond its authority to manage climate change implementation. Guess the Lego block builders will need to grow up first and become big in order to vote out those standing in their way of setting up a CO<sup>2</sup>-less society. Lest the Lego block builders forget, that would include all carbonated drinks.

Some additional good news, all the State Attorney General offices who jumped in to berate ExxonMobil and cause ExxonMobil to write some big fat checks finally came to a halt. The last one standing, the New York State Attorney General office, was informed to go pound sand. Half way through the action, which had been started by the New York AG’s office, the class action suit started to fall apart like a cheap suit. Finally, the class action was put away for good; much like a cheap suit not worthy to hand over to the local church bazaar weekend fund raiser.

To put it in perspective, in the immortal words of President Franklin Roosevelt, “All we have to fear is fear itself...”

## Notice of Nomination Committee

Jessica Bradley, CPL, Chapter President, has appointed Joe Munsey, RPL, of Southern California Gas Company as LAAPL’s Nominations Committee Chair. Joe will be seeking out qualified candidates for officers. The officers will serve from July 1st, 2020 – June 30th, 2021. All qualified members interested in submitting their names as candidates are encouraged to contact the Committee Chair. Joe can be reached at 949-361-8026 or [jmunsey@socalgas.com](mailto:jmunsey@socalgas.com).

Per Section 7 (7a) of the By-laws, the membership will be provided with a list of nominees for officers for Vice President, Secretary, Treasurer and two (2) Directors at the March meeting. Further nominations from the floor will also be accepted at the March meeting. Members whose names are placed in nomination must give prior consent to be nominated by mail or email up to May 1, 2020. The election will take place at the last regular meeting of the Association this fiscal year, which is scheduled for May 21, 2020.



**Randall Taylor, RPL  
Petroleum Landman**

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THE OVERRIDE IS, AND HAS BEEN,  
 EDITED BY JOE MUNSEY, RPL AND  
 PUBLISHED BY RANDALL TAYLOR,  
 RPL, SINCE SEPTEMBER OF 2006.

## 2019–2020 Officers & Board of Directors

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 Taylor Land Service, Inc.  
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Past President  
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 Championship Strategies, Inc  
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 The Termo Company  
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Treasurer  
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 Chevron Pipeline & Power Company  
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Director  
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 Southern California Gas Company  
 949-361-8036

Director  
**Ernest Guadiana, Esq.**  
 Elkins Kalt Weintraub Rueuben Gartside LLP  
 310-746-4425

Region VIII AAPL Director  
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 Taylor Land Service, Inc.  
 949-495-4372

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**Randall Taylor, RPL, Co-Chair**

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Membership Chair  
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Education Chair  
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 Elkins Kalt Weintraub Rueuben Gartside LLP  
 310-746-4425

Golf Chair  
**Jason Downs, RPL**  
 Chevron Pipeline & Power Company  
 858-699-3353

## Chapter Board Meetings

**Marcia Carlisle**  
**The Termo Company**  
**LAAPL Secretary**

The LAAPL Board of Directors held a brief meeting on Thursday, January 23, 2020, led by President, Jessica Bradley.

- Jason Downs requested a vote regarding setting aside monies for the Annual AAPL meeting gift baskets. The request was for \$2500. This request was unanimously approved.

We encourage all members to attend our LAAPL Board Meetings which are typically held in the same room as the luncheon immediately after the meetings are adjourned.

## Newsletter Honors

**Joe Munsey, RPL, Newsletter Editor**  
**Randall Taylor, RPL, Newsletter Publisher**

We were advised on Monday, March 9th, by James F. “BoBo” Clarke, AAPL Awards Chair, LAAPL won “Best Newsletter for Small Associations” again for the year 2019.

This award is a great honor, and we thank our members and sponsors for their support over the years.

## New Members and Transfers

**Allison Foster**  
**Membership Chair**  
**Signal Hill Petroleum, Inc.**

Welcome! As a Los Angeles Association of Professional Landmen member, you serve to further the education and broaden the scope of the petroleum landman and to promote effective communication between its members, government, community and industry on energy-related issues.

### New Members

None to Report

### Transfers

None to Report

### New Member Requests

None to Report

### Welcome Back

None to Report



## Treasurer's Report

**Jason Downs, RPL**  
**Treasurer**  
**Land Representative**  
**Chevron Pipe Line and Power Company**

As of 1/3/2020, the LAAPL account showed a balance of

Deposits	\$70.41
Total Checks, Withdrawals, Transfers	\$-3,363.09

**Balance as of 3/11/2020 \$34,721.28**

## Early Bird Call for Dues

**Jason Downs, RPL**  
**Treasurer**  
**Land Representative**  
**Chevron Pipe Line and Power Company**

We will be calling for dues late Spring; which will be due by June 2020 for the 2020 – 2021 year. Cost: still a bargain at a mere \$40.00.

## Our Honorable Guests

January's luncheon was a successful joint meeting with the Los Angeles Basin Geological Society and Los Angeles Association of Professional Landman held at the Grand at Willow Street Conference Center. LAAPL member/attendees were the guests of honor.

## Lawyers' Joke of the Month

**Jack Quirk, Esq.**  
**Bright and Brown**

A local lawyer died in poverty and the humble citizens approached the judge asking for \$10.00 to bury the man.

“Here's \$100.00,” he replied, “bury ten of them.”



## Case of the Month - Right of Way

### MOJAVE AIR & SPACE PORT TO USE EMINENT DOMAIN IF NEGOTIATIONS FAIL TO LIFT OFF

*Brad B. Kuhn, Esq., Partner  
Law Firm of Nossaman LLP  
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Eminent domain is typically used for roads, utilities, schools, and even airports, but in California, it is quite unusual (perhaps even unheard of) to use eminent domain for space travel.

But according to an article in the Antelope Valley Press, "Eminent Domain Possible if Airport Land Buy Fails," that is exactly what's about to happen. According to the article, the Mojave Air and Space Port Board of Directors agreed to move ahead with eminent domain for acquiring several vacant parcels of land if negotiations fail. The properties are apparently necessary to expand the safety zone around the rocket testing sites to meet Federal Aviation Administration (FAA) regulations.

In order to expand the safety zone, there are four private properties that need to be acquired. The Board unanimously passed a resolution of necessity to purchase the land for the publicly owned airport, but the condemnation proceedings for eminent domain will not begin unless negotiations with the owners fail. The airport has reached an agreement with the owners of two impacted properties and is in the process of finalizing those sales, but negotiations with the other two owners have been unsuccessful.

The Board determined that an environmental report is not required, as there will be no physical changes to the vacant land, and the project is categorically exempt from state environmental laws.

Mr. Kuhn can be reached at [bkuhn@nossaman.com](mailto:bkuhn@nossaman.com).

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**Rick Peace, President**  
AAPL Director 2009-2015 | API | BAPL Officer 1990-2014 | CIPA President's Circle  
DAPL | HAPL | LAAPL | SPE | SJGS | IRWA | WSPA

CALIFORNIA | OREGON | WASHINGTON

## AAPL Director Report

**Randall Taylor, RPL**  
**AAPL Director, Region VIII**

The most recent meeting was held on March 8, 2020 at the Downtown Marriott in Louisville, Kentucky. The hotel was a great venue, and was centrally located for many tourist venues, including the Muhammad Ali Museum, the Churchill Downs Racetrack and Museum, and the Louisville Slugger Museum and Factory.

- The current AAPL membership is 15,375.
- The Landman Scholarship Trust Board conducted personal interviews with the finalists of the Student of the Year. They were impressed by all of the candidates and also had a tough decision.
- The AAPL Board of Directors nominated the slate of officers to serve for the 2020-2021 term in accordance with the AAPL Bylaws.
- The first draft of the proposed 2020-2021 budget was presented to the Board of Directors and Committee Chairmen for their review and was approved.
- Registration for the AAPL 66th Annual Meeting in Huntington Beach, California is open.
- AAPL has made the following Statement regarding the coronavirus and the Annual Meeting planned for June, 2020 in Huntington Beach, CA: "AAPL is taking all developments concerning the coronavirus (COVID-19) very seriously and will continue to closely monitor the situation. There are no plans to postpone or cancel the 2020 AAPL Annual Meeting. We have received no cancellations from speakers at the event, and registrations are on pace with previous years. We will continue to monitor the situation and of course will be in discussion with health authorities and the Association's volunteer leaders. AAPL will work to ensure the highest possible degree of hygiene, safety and medical care at the conference. The health and safety of all our attendees is our highest priority."

# Huntington Beach

C A L I F O R N I A

## AAPL 66<sup>th</sup> ANNUAL MEETING

*Professional Development and Land Conference*

**JUNE 17-20, 2020**

Hyatt Regency Huntington Beach Resort + Spa

### ▶ REGISTRATION IS OPEN

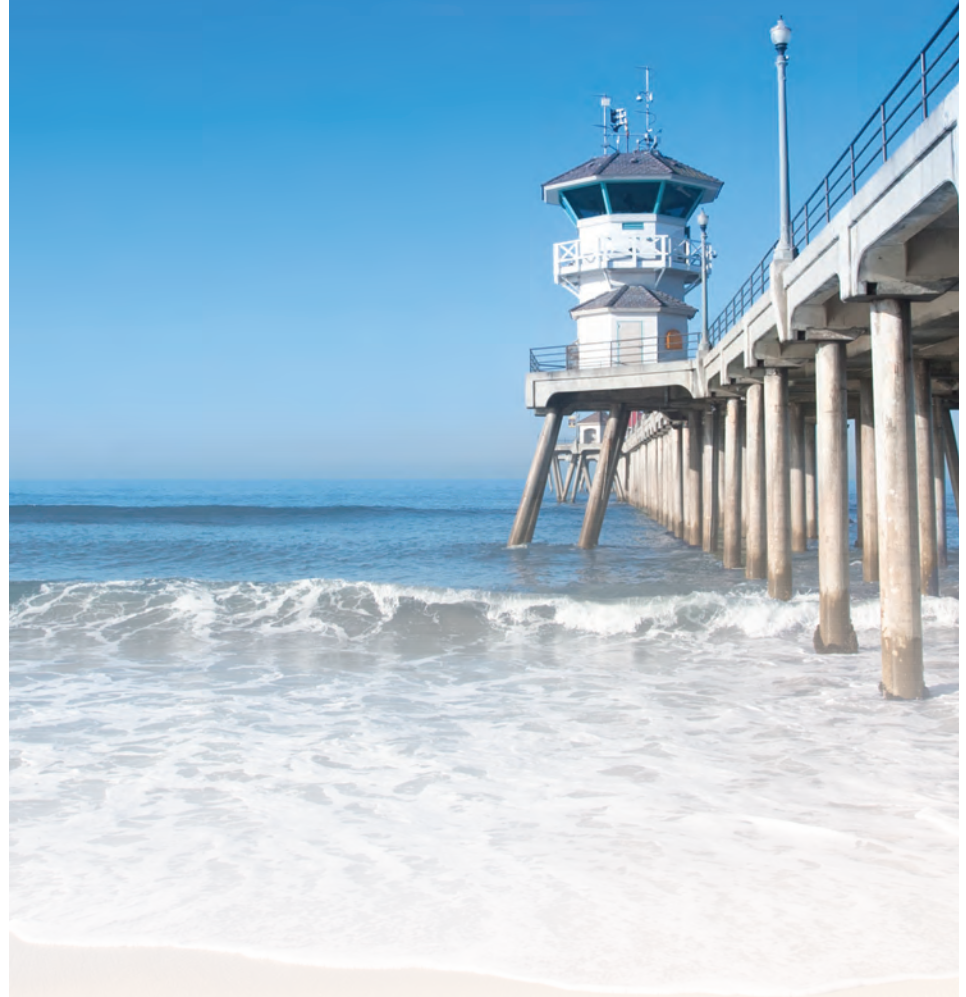
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Keynote Speaker Colin Fenton | Tudor, Pickering, Holt & Co.  
Keynote Speaker Jimmy Choo | SoCalGas



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## OIL AND GAS LAND REVIEW

APRIL 6-9, 2020 | BAKERSFIELD, CA

The Oil and Gas Land Review is a fast-paced, intensive study of the topics covered by the CPL and RPL certification exams. Lectures will be interactive and enhanced with problem-solving sessions. It is highly acclaimed as a thorough land review and an excellent means of preparation for the CPL and RPL exams. This class covers the following topics: real property law and land descriptions, contract law, conveyancing, interest calculations, oil and gas lease, ethics, pooling, joint operating agreement, well trades, federal leases and units, environmental, offshore, mineral landwork and federal taxes on oil and gas income.

### CERTIFICATION OPPORTUNITY\*

This seminar covers material included on the RPL and CPL exams. Testing opportunities are available at this seminar. See schedule on next page for testing times.

## OIL AND GAS LAND REVIEW: REGISTRATION PRICING

AAPL Member 3-day Review Only	\$500
AAPL Member 1-day Review and RPL Exam*	\$300
AAPL Member 3-day Review and CPL Exam*	\$450
AAPL Member RPL Exam Only*	\$100
AAPL Member CPL Exam Only*	\$125
Non-member Review	\$600
Accredited Program Student	\$0
Professional Development Assistance	\$0

\*No study materials are included in this registration, study guide may be purchased separately at [landman.org](http://landman.org)

^Please note that your certification application must be approved before you may register for the CPL or RPL exam.

Accredited for 19 continuing education credits, including 1 ethics.

Learn more and register at [landman.org/education](http://landman.org/education)



## OIL AND GAS LAND REVIEW: SCHEDULE

### DAY 1: MONDAY, APRIL 6, 2020

#### **SPEAKER | CURTIS D. HORNE, CPL** **CPL AND RPL REVIEW**

7:30 am	Registration & Continental Breakfast
8:00 am	Real Property Law, Land Descriptions & Contract Law
12:00 pm	Lunch break <i>(not provided)</i>
11:15 am	Offshore/OCS
12:00 pm	Lunch break <i>(not provided)</i>
1:00 pm	Conveyancing, Interest Calculations and Oil & Gas Lease
4:15 pm	AAPL and Ethics
4:45 pm	RPL Exam Instructions
5:00 pm	Adjourn

### DAY 2: TUESDAY, APRIL 7, 2020

#### **SPEAKER | DORSEY T. ROACH, CPL** **CPL REVIEW**

7:30 am	Continental Breakfast
8:00 am	Pooling and Joint Operating Agreements
12:00 pm	Lunch break <i>(not provided)</i>
1:00 pm	JOA continued and Well Trades
3:00 pm	Negotiations
5:00 pm	Adjourn

#### **RPL EXAM**

8:45 am	RPL Exam Prep
9:00 am	RPL Exam Begins
11:00 am	RPL Exam Ends

### DAY 3: WEDNESDAY, APRIL 8, 2020

#### **SPEAKER | TOM M. RUCKER III, CPL** **CPL REVIEW**

7:30 am	Continental Breakfast
8:00 am	Federal Onshore
10:15 am	Environmental
11:15 am	Offshore/OCS
12:00 pm	Lunch break <i>(not provided)</i>
1:00 pm	Mineral Landwork
2:00 pm	Federal Taxes on Oil & Gas and GIS
3:00 pm	Adjourn

### DAY 4: THURSDAY, APRIL 9, 2020

#### **CPL EXAM**

7:15 am	CPL Exam Prep
7:30 am	CPL Exam Book 1 Begins
11:00 am	CPL Exam Book 1 Ends
11:30 am	CPL Exam Book 2 Begins
3:00 pm	CPL Exam Book 2 Ends

#### **RPL EXAM**

7:15 am	RPL Exam Prep
7:30 am	RPL Exam Begins
9:30 am	RPL Exam Ends

## TEST TAKERS!

*\*If attending the RPL review/exam, you will attend the RPL review on Tuesday and have the option to test on either Wednesday or Friday.*

*\*If attending the CPL review /exam, you will attend the CPL review Tuesday-Thursday and test on Friday.*

38TH ANNUAL

SAVE THE DATE!



**WHEN:**

WEDNESDAY – FRIDAY  
SEPTEMBER 16–18, 2020

**WHERE:**

MARRIOTT MARQUIS & MARINA  
SAN DIEGO, CA

**DETAILS TO FOLLOW!**





## **Bright and Brown**

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## LAAPL 2020-2021 Election for Officers Ballot

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**2020-2021**

### **OFFICERS and DIRECTORS**

Meeting Date: May 21, 2020

Nominations Chairman Joe Munsey, RPL, presents the following candidates<sup>1</sup> for officers to serve from July 1st, 2020 - June 30th, 2021. **Additional nominees may be submitted to the Nominations Chairman at [jmunsey@socalgas.com](mailto:jmunsey@socalgas.com) or by calling 949-361-8036 to be included on the final candidate's list until May 1, 2020, which will be published in the May newsletter.** Officers will be elected by a vote of membership in attendance at the May 21, 2020, chapter meeting held at The Grand Long Beach. Nominations will also be accepted from the floor at the May 20, 2020, regular meeting.

#### **PRESIDENT<sup>2</sup>**

RANDALL TAYLOR, RPL      TAYLOR LAND SERVICE, INC.

#### **PAST PRESIDENT<sup>3 & 4</sup>**

JESSICA BRADLEY, CPL      WARREN E&P, INC.

#### **CANDIDATES:**

##### **VICE PRESIDENT**

\_\_\_\_\_

##### **SECRETARY**

MARCIA CARLISLE      THE TERMO COMPANY

\_\_\_\_\_

##### **TREASURER**

JASON DOWNS, RPL      CHEVRON PIPELINE & POWER

\_\_\_\_\_

##### **DIRECTORS - VOTE FOR TWO**

MIKE FLORES      FLORES STRATEGIES, INC.

ERNEST GUADIANA, ESQ.      ELKINS KALT WEINTRAUB REUBEN GARTSIDE LLP

\_\_\_\_\_

Per the LAAPL Bylaws, I am an  **Active Member** of the Association and eligible to vote in annual elections.

Write-in candidates **MUST** have given their prior consent for nomination.

<sup>1</sup>Per Section 7(7)(a) prior to the regular meeting scheduled nearest to April 15<sup>th</sup> of each membership year, the membership will be provided with a list of the nominees for offices of Vice President, Secretary, Treasurer and the two (2) Directors.

<sup>2</sup>Per Section 7(3) the Vice President shall succeed to the office of the President after serving his or her term as Vice President and shall hold the office of President for the next twelve (12) months.

<sup>3</sup>Per Article 8 (2) the outgoing President shall serve as Past President.

<sup>4</sup>Per Article 8 (2) the outgoing President shall serve as a Director.

# TELL THE STATUS QUO TO WATCH ITS BACK.



AT PURPLE LAND MANAGEMENT, WE BELIEVE THERE'S A DIFFERENT WAY TO PROVIDE LAND SERVICES. A WAY THAT BUCKS INDUSTRY CONVENTIONS IN FAVOR OF NEW IDEAS THAT ACHIEVE BETTER RESULTS. A WAY THAT USES THE LATEST TECHNOLOGY TO DRIVE DOWN COSTS AND AMP UP EFFICIENCIES. A WAY THAT SEES OUR WORK AS PART OF A REVOLUTION DESIGNED TO MAKE OUR COMMUNITIES AND OUR COUNTRY BETTER. THIS WAY IS THE **PURPLE WAY**- AND IT'S THE HEART AND SOUL OF WHO WE ARE, WHAT WE DO AND HOW WE DO IT.

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## Legislative Update

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by Mike Flores  
Championship Strategies, Inc



### **Bill Introduced to Place A Drilling Moratorium On Fed Lands**

On Friday, Rep. Salud Carbajal (CA-24) introduced the California's Land Preservation and Protection Act to place a moratorium on fracking and new oil and gas drilling on federal lands on California's central and southern coasts. This is direct pushback on the Trump administration's decision allowing the Bureau of Land Management (BLM) to pursue oil and gas leasing on over 1.2 million acres of California land, including San Luis Obispo, Santa Barbara and Ventura counties. Rep. Julia Brownley (CA-26) is an original co-sponsor of this bill.

### **Oil Industry Suffers Worst One-Day Drop in Three Decades**

The oil industry suffered its worst one-day price drop in almost three decades Monday, March 9, raising prospects of a hit to local employment as a disagreement between Russia and Saudi Arabia over petroleum production levels compounded economic worries originating with the coronavirus.

Brent Crude, the international benchmark many local oil sales are pegged to, fell about 30 percent before recovering ground and ending the day off 24 percent at \$34.36 per barrel, according to Oilprice.com.

Stocks of local oil producers also suffered, with shares of Santa Clarita-based California Resources Corp. closing down 28 percent at \$4 and Bakersfield-based Berry Corp. sliding 24 percent to settle at \$4.01.

This drop stoked concerns about local oil production, which as Kern's primary economic pillar employs close to 24,000 people, according to one recent estimate.

Depending on how long the price downturn lasts, plummeting oil prices could eventually bring about layoffs in Kern oil fields.

### **Review of Current Oil And Gas Related Bills This Legislative Session**

\* (This was taken from the MARCH 2020 Stoel Rives' Oil & Gas Team Report)

#### **AB 345 (Muratsuchi, D): Natural Resources: Oil and Gas: Regulation of Operations.**

**STATUS: Last amended March 18, 2019; currently in Senate Appropriations suspense file.**

Would require the Secretary of the Natural Resources Agency to create an environmental justice program within the agency to identify and address any gaps in existing programs, policies, or activities that may impede the achievement of environmental justice. The bill, contingent upon funding for this purpose, would require the secretary to establish a grant-based reimbursement program to enable environmental justice and community groups to meaningfully participate in rulemaking and other regulatory processes at departments and entities within the agency.

#### **AB 926 (O'Donnell, D): Oil Revenue: Oil Trust Fund.**

**STATUS: Last amended March 18, 2019; currently in Senate Appropriations suspense file.**

Current law requires the Controller to transfer certain oil-revenue-related moneys to the Oil Trust Fund. Current law requires the State Lands Commission to expend the money in the fund to finance the costs of well abandonment, pipeline removal, facility removal, remediation, and other costs associated with removal of oil and gas facilities from the Long Beach tidelands. Current law prohibits the total amount deposited in the fund from exceeding \$300,000,000 and requires all interest earned on money in the fund after the balance in the fund totals \$300,000,000 to be transferred to the General Fund. This bill would delete the provisions relating to the limit on the total amount deposited in the fund by increasing appropriated funds.

#### **AB 1441 (Levin, D): Oil and Gas: Development.**

**STATUS: Last amended in Senate on January 15, 2020; currently in Senate Rules Committee.**

Would revise and recast the duty on the State Oil and Gas Supervisor to supervise the drilling, operation, maintenance, and abandonment of wells so as to permit the owners or operators of the wells to utilize methods and practices known to the oil industry that, in the opinion of the supervisor, are suitable in each proposed case. The bill would revise the declared policy of the state relating to the grant in an oil and gas lease or contract of the right

*Legislative Update  
continued on page 14*



*PROUD SPONSOR OF THE LOS ANGELES ASSOCIATION OF PROFESSIONAL LANDMEN*

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Legislative Update  
continued from page 12

or power to explore for and remove hydrocarbons from any lands in the state. The bill would instead require the supervisor to perform their administrative duties in a manner so as to help ensure the wise oversight of oil and gas development used to meet oil and gas needs in this state.

**AB 1751 (Chin, D): Oil and Gas: Underground Injection Control Program: Exempt Aquifers.**

**STATUS: 2-Year Bill; last amended July 5, 2019; currently in Senate Appropriations, suspense file.**

The California Safe Drinking Water Act provides for the operation of public water systems and imposes on the State Water Resources Control Board related responsibilities and duties. Current law authorizes the state board to order consolidation of public water systems where a public water system or state small water system serving a disadvantaged community consistently fails to provide an adequate supply of safe drinking water, as provided. This bill, the Consolidation for Safe Drinking Water Act of 2019, would authorize a water or sewer system corporation to file an application and obtain approval from the commission through an order authorizing the water or sewer system corporation to consolidate with a public water system or state small water system that has fewer than 3,300 service connections and serves a disadvantaged community, or to implement rates for the subsumed water system.

**SB 169 (Jackson, D): Oil and Gas: Underground Injection Control Program: Exempt Aquifers.**

**STATUS: 2-Year bill; currently in the Assembly; no action since January 2019.**

The Elder California Pipeline Safety Act of 1981 requires the State Fire Marshal to administer provisions regulating the inspection of intrastate pipelines that transport hazardous liquids. The act requires a pipeline operator to make available to the State Fire Marshal, or any officers or employees authorized by the State Fire Marshal, upon presentation of appropriate credentials, any records, maps, or written procedures that are required by the act to be kept by the pipeline operator and which concern accident reporting, design, construction, testing, or operation and maintenance. This bill would revise and recast specified provisions and would authorize the State Fire Marshal, for purposes of carrying out the requirements of state or federal law relating to hazardous liquid pipeline safety, to require the owner or operator of a pipeline to establish and maintain records, make reports, and provide any information that the State Fire Marshal reasonably requires, as provided.

**Appellate Court Rules Against Single Blanket Approvals**

A California appellate court threw out a Kern County law that allowed major oil producers to rely on a single, blanket environmental approval for 72,000 new oil wells, instead of facing scrutiny for each new project's potential impact on air quality, drinking water, wildlife and other concerns.

The Fifth District Court of Appeals, based in Fresno, ruled Tuesday that the county's 2015 environmental impact report failed to disclose the full extent of drilling's potential harm, in violation of state law known as the California Environmental Quality Act. The appellate court found that Kern County officials ignored threats to public health from particulate soot, and impacts to drinking and agricultural water supplies, along with other deficiencies.

"Based on the ... significant environmental impacts and CEQA's basic purpose of protecting the environment, we conclude the ordinance should not be allowed to remain in effect," the three-judge panel wrote in an exhaustive, 150-page decision.

The panel ordered that the environmental report and the ordinance be set aside until county officials can demonstrate compliance with the law. Kern County must stop issuing permits under the ordinance within 30 days. The county typically produces two-thirds of the state's total output per year, according to published reports.



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## Quarterly AAPL Annual Meeting Committee Report

### Committee Report **AAPL Quarterly Board Meeting** March 8, 2020

*Marriott Louisville Downtown ~ Louisville, KY*

<b>Committee:</b>	Annual Meeting Committee
<b>Chairman:</b>	Jason M. Downs
<b>Email:</b>	<a href="mailto:Jasondowns@chevron.com">Jasondowns@chevron.com</a>
<b>Company:</b>	Chevron Pipeline & Power

#### **Committee members (including company, city/state and term expiration):**

Chairman Emeritus	Mark Acree, CPL, Independent, Canonsburg, PA (Term ending 2020)
Chairman	Jason Downs, RPL, Chevron Pipeline & Power, Rancho Dominguez, CA (Term ending 2021)
Assistant Chairman	Noel Millions, PSL, EnCana Corporation, Calgary, Alberta, Canada (Term ending 2022)
Voting Member	Larry Buzan, Calgary, Alberta, Canada, (Term ending 2022)
Voting Member	Gordon Coe, Jr., CPL, Chevron U.S.A. Inc., Calgary, Alberta, Canada (Term ending 2022)
Voting Member	Jerris Johnson, CPL, SubTerra Resources LLC, Birmingham, AL (Term ending 2022)
Voting Member	John Harris, Locke Lord LLP, Los Angeles, CA (Term ending 2022)
Voting Member	Blain Meith, Independent, Bakersfield, CA (Term ending 2022)
Voting Member	Jonathan Click, CPL, Click Energy, Houston, TX (Term ending 2022)
Voting Member	Allison S. Foster, Signal Hill Petroleum, Inc., Signal Hill, CA (Term ending 2022)
Voting Member	Ashley Claunch, Chevron U.S.A. Inc., Bakersfield, CA (Term ending 2022)
Voting Member	Lance Burton, Chevron U.S.A. Inc., Bakersfield, CA (Term ending 2022)
Non-Voting Member	Michael Sherman, Day Carter Murphy LLP, Sacramento, CA (Term ending 2022)
Voting Member	Randall Taylor, RPL, Taylor Land Service, Inc., Laguna Niguel, CA (Term ending 2022)
Voting Member	Rick Peace, White Wolf Land Service, Bakersfield, CA (Term ending 2020)
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Voting Member	Larry Fisher, Novus Energy Inc., Calgary, Alberta, Canada (Term ending 2022)
Voting Member	Ted Lefebvre, JETED Resources Ltd., Calgary, Alberta, Canada (Term ending 2022)
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Voting Member	Jeff Junstrom, RL, Sean Cassidy and Associates, P.C., Carnegie, PA (Term ending 2021)
Voting Member	Steve Carr, CPL, Dudley Land Company, Canonsburg, PA (Term ending 2021)
Voting Member	Alexander McElroy, Lenington, Gratton & Alexander LLP, Canonsburg, PA (Term ending 2021)
Voting Member	Jim Haas, RPL, Reserve Energy Exploration Co., Chagrin Falls, OH (Term ending 2021)
Voting Member	Daniel Franklin, Cowen, Hubbert and Franklin, LLC, Denver, CO (Term ending 2020)
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AAPL President (Ex-Officio)	Jay Beavers, CPL, Beavers Energy LP, Sanger, TX
AAPL 1 <sup>st</sup> VP (Ex-Officio)	Lester A. Zitkus, CPL, Gulfport Energy Corporation, Oklahoma City, OK
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AAPL Dir. Of Comm. & NAPE (Staff-Liaison)	Le' Ann Callihan, AAPL Staff, Fort Worth, TX
AAPL Dir. of Ed. & Member Svcs.	Stacey Garvin, CPL, AAPL Staff, Fort Worth, TX
AAPL Meeting Planner	Carie Puff, AAPL Staff, Fort Worth, TX
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## Committee programs/activities:

The Committee had its last call on Wednesday, February 26<sup>th</sup> and will continue a conference call at least once a month through May to ensure all details are completed. Our next call is scheduled is for Wed., March 25<sup>th</sup>.  
Website flyer is live with schedule of events.

## Committee plans:

1. Welcome Reception: Chairs: Gordon Coe with Allison Foster assisting.
  - Will be held at the Hyatt Mariners Ballroom on Wednesday June 17<sup>th</sup>.
  - Hollywood Theme is locked in and Carie is working the details with the event planning company.
2. Hot Plays: Chairs: James Haas & Lance Burton with Ashley Claunch assisting.
  - Pasea Hotel (including Ocean Lawn & Terrace, Tanners Treetop Lounge and Tanners outdoor Patio) will host all Happy Hours on Thursday June 18<sup>th</sup>.
    - i. Looking into having Cole Riddle (Ray's son) play at the Ocean Lawn and Terrace area.
3. Landman Bash: Chairs: Chris Crouch & Caroline Hansen.
  - Location for bash has been booked for Friday June 19<sup>th</sup>.  
<http://www.sealegsatthebeach.com/photos>. Venue is on the sand at Bolsa Chica State Beach. Dress will be casual and beach attire recommended including a sweatshirt or light jacket.
    - Beach Boys themed band who can do newer music sets later in the evening.
    - Other entertainment, Carie is working on details (beach games, glow volleyball, beer pong, corn hole, bon fire pits, surf simulator, etc.)
    - Theme Landman Bash on the Beach!
4. Golf: Chairs: Stephen Carr and Jeff Junstrom.
  - Date: Saturday, June 20, 2020, Time: 8:30am shotgun start.
  - Location: Pelican Hill Golf Club
  - Cost to Golfers: \$300 to run, set the price to conference attendees at \$275 pp and available to non-attendees for \$325 pp.
5. Education/Oil Field Tours. Chair: Jason Downs with Randy Taylor assisting.
  - Tours locked in and sign up will be \$40 pp. Education Credits available.
  - Signal Hill tour is open to guests of all ages.
    - Set for Friday morning 7:30am bus departure, 4-hour tour, back for 11:30 lunch.
    - SHPI will have a company representative and/or tour guide on the bus.
  - THUMS Island Tour is SOLD OUT.
    - Set for Thursday afternoon, 1pm bus departure, 4-hour tour returning at 5pm.
    - CRC will have a company representative and/or tour guide on the bus.
      - a) Additional costs, water, and maybe coffee and snacks?
6. Horizon Breakfast: Chair: Allison Foster (Event by AAPL Education Foundation)
  - Horizon breakfast Thursday morning. Education Foundation will choose the speaker. Last year's award recipient, Pam Feist is confirmed.
7. Non-profit community awareness. Chair: Jerris Johnson.
  - This year we will be partnering with Working Wardrobes <https://workingwardrobes.org/> which is a non-profit organization local to Irvine, California. Their mission is "We do everything in our power to help men, women, young adults and veterans overcome difficult challenges so they can achieve the dignity of work, and the Power of a Paycheck." They accomplish this by receiving donations for business professional clothing and cash to furnish struggling individuals with the wardrobe they need to make a positive first

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impression. Annual meeting attendees and guests are encouraged to bring a set of new or gently used business professional clothing for donation on Friday. It can even be the suit that is worn on the Thursday before. Those who wish can also make a monetary donation.

### Committee needs or proposals:

1. Sponsorships/Fundraising: Chairs: Vincent Caruso, Blain Meith & Paul Taranto.
  - Current goal is \$175,000.
  - We currently stand at \$148,500 in Sponsorships.
  - Target Dates and Deadlines:
    - a) I think we're almost to goal. There's another 10-20k in the works and if a few perennial sponsors reup from years past we should be at goal.
      - Biggest to do item is to get back in touch with all non- and semi- committed possible sponsors by end of February.
      - Second action item is to identify and reach out to companies (especially technical/software companies) who were left off the excel call sheet or those companies who we have the wrong point of contact.
      - Biggest issue is current market conditions.

### Annual Meeting Bylaws Policy and Procedure suggestions:

None

Committee Report  
continued on page 22



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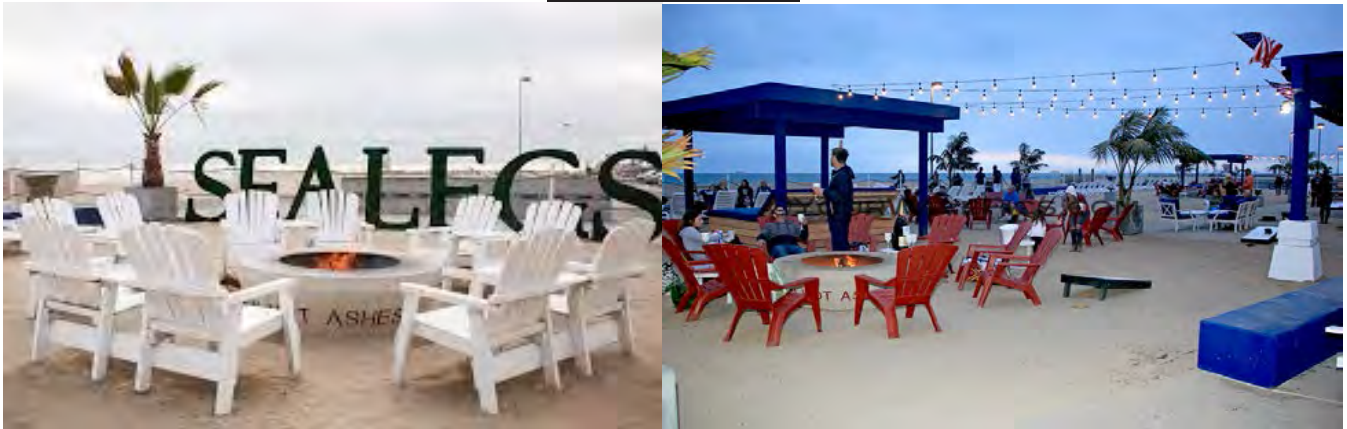
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## Common Sense: Ohio Court of Appeals Further Illuminates Production in Paying Quantities Analysis for Oil and Gas Wells Metered in Common

By Travis L. Brannon, Esq., Associate & Emily C. Weiss, Esq. Associate  
Law Firm of K & L Gates

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Travis L Brannon

A recent case out of the Court of Appeals of Ohio has provided further clarification as to how the method of measurement of oil and gas production affects a production in paying quantities analysis in the state. The court in *Fiocca v. Aim Energy, LLC*, No. 19 CA 0930, 2019 WL 6713251, at \*4–5 (Ohio Ct. App. Dec. 6, 2019) concluded that, in determining whether a gas well is producing in paying quantities, the fact that the well is being commonly metered



Emily C. Weiss

with other wells is not fatal to the analysis. The court's decision illustrates that, in Ohio, while the common metering of wells on multiple leaseholds may still be subject to legal challenges, common metering is less likely to be an issue when it measures the production of multiple wells on the same leased premises. Companies that operate assets with common meters or that recently purchased held-by-production assets in the region should take note of this development.

In *Fiocca*, Appellant owned a one-third interest in the mineral rights underlying 126 acres of property and leased those interests under two leases with Appellee's predecessor in interest. *Id.* at \*1. Although four wells had been developed under the leases, Appellant sought termination of the leases for lack of production in paying quantities. *Id.* Appellant argued that each of the four wells had to be producing in paying quantities to hold the surrounding acreage, as the leases' language expressly stated that each well that was developed would hold only the 40 acres surrounding the well rather than the entire property. *Id.* The trial court found that the leases were held in force by production in paying quantities, noting that even though it could not determine the actual production rates for each individual well due to the common metering system, the leases did not require separate metering. *Id.* at \*2. Further, Appellant presented no evidence to demonstrate that any individual well was not producing in paying quantities. *Id.* On appeal, Appellant argued that the trial court erred when it found that "common metering satisfied production in paying quantities for all the wells." *Id.* at \*3.

In support of his argument, Appellant relied heavily on *Lang v. Weiss Drilling Company*, 70 N.E.3d 625, 633 (Ohio Ct. App. 2016), where the Court of Appeals of Ohio held that, although common metering is an accepted practice for measuring oil and gas production to determine production in paying quantities, the court "must be able to quantify production from the particular well at issue," and it "should not be required to guesstimate the amount of gas attributable to the well in question where the party responsible for the





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metering has chosen to use a common meter for multiple wells as opposed to individual meters for each well.” *Id.* at \*4. The Court in *Fiocca* clarified, however, that its holding in *Lang* was not that common metering can never be considered in a paying quantities analysis, but rather that the trial court “was free to require a more accurate method of measuring oil and gas production” if, under the circumstances, the use of common metering created uncertainty regarding whether a single well was producing in paying quantities. *Id.*

Further, in *Fiocca*, the Court distinguished the facts at hand from the facts in *Lang*. It explained that, in *Lang*, the Court was required to determine whether a single well that ran through a common meter with multiple other wells was producing in paying quantities, while in *Fiocca* the controlling question was different. *Id.* The Court explained, in this regard, that it was “irrelevant if the production is coming from one well of the four wells or all four wells,” because the leases provided that they would continue so long as oil or gas was found “on the premises in paying quantities . . .” *Id.* The Court observed that the evidence proving production in paying quantities (which was undisputed) included data from the common meters showing production, proof that appellant had been receiving and cashing royalty checks, copies of the Ohio Department of Natural Resources (“ODNR”) Well Summaries, production reports for all four wells, and a net revenue schedule that set out royalties paid and revenue earned. *Id.* at \*5. Ultimately, the Court held that it would not read new terms into the leases and because the leases did not “require production in paying quantities from each well drilled on the Property in order to hold its respective lease . . . the trial court correctly interpreted the Leases.” *Id.*

Therefore, under Ohio law, when there are multiple wells developed under a lease with common metering and the lease requires production in paying quantities on the premises rather than from each individual well, a showing that each individual well is producing in paying quantities may not be necessary. At a more general level, the *Fiocca* opinion provides further detail regarding which evidence is helpful to support a lessee’s defense of production in paying quantities, such as proof of acceptance of royalty payments, ODNR records, and net revenue reports.

In evaluating leases held by production with common metering to ensure there is sufficient evidence of production, production companies should bear in mind that, under the *Fiocca* decision, an Ohio court will adhere to lease language when determining whether there must be production in paying quantities from the leased premises as a whole rather than from each individual well on the premises. As Ohio courts continue to refine their jurisprudence relating to production in paying quantities and lease terms, companies operating there should continue to monitor case law for further developments on these issues.

---

i The Court further clarified that although a provision in the leases specified how many wells needed to be drilled to hold the acreage surrounding the well (40 acres surrounding each well), that provision did not mention production in paying quantities, and Appellee’s development of four wells, each located in a different fourth of Appellant’s 126-acre tract, was sufficient to hold the leases. *Id.* at \*3–5.

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*Mr. Travis can be reached at [travis.brannonr@klgates.com](mailto:travis.brannonr@klgates.com).*



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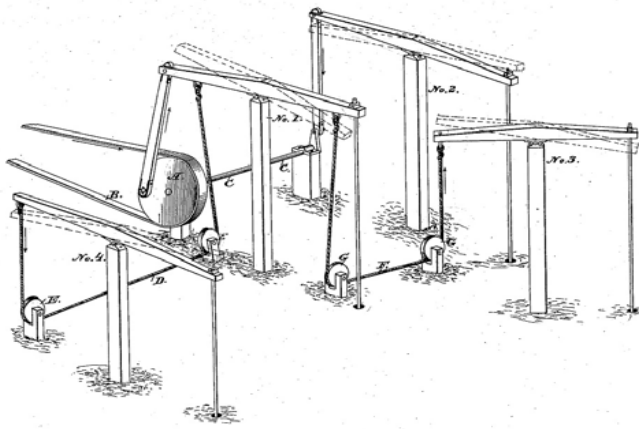
*Guest - Lufkin  
continued on page 29*

## Stripper Wells

Oil wells will run dry, but advances in “artificial lift systems” technology can put off the inevitable. But even with today’s best technologies, more than half of the oil can remain trapped underground.

Low-volume marginal or “stripper” wells produce no more than 15 barrels a day. The average stripper well produces only about 2.2 barrels per day. These wells comprise 84 percent of U.S. oil wells and produce 18 percent of all domestic oil.

Marginal oil and natural gas wells number about 650,000 of the nation’s 876,000 wells. Once shutdown, they are lost forever. Keeping them in production has long been a challenge for a special breed of oilman, one who combines technical skills with hard work in the field.



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“This is an occupation where most of your work is done in all types of weather while working alone, with few thanks, and possibly only a small

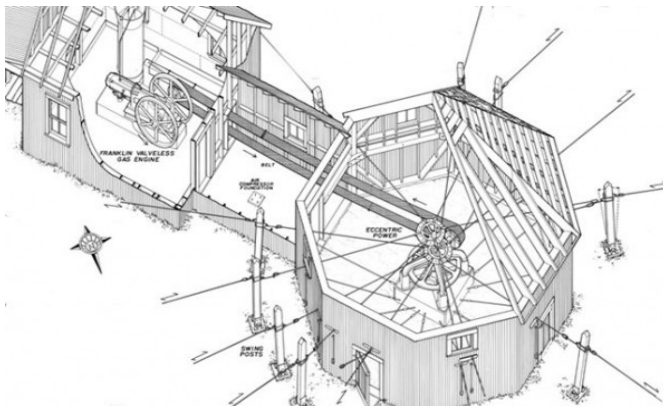
herd of cattle as company,” notes the Oklahoma Commission on Marginally Producing Oil and Gas Wells.

It was the same in the industry’s earliest oil well pump days.

## Central Power Units

Marginal quantities of oil always need help leaving the well. In the early days of the industry, oilmen adapted water-well technology to the problem and used steam-driven walking beam pump systems.

At each well, a steam engine rhythmically raised and lowered one end of a sturdy wooden beam, which pivoted on a Samson post. The walking beam’s other end cranked a long string of sucker-rods up and down to pump oil to the surface.



*An oilfield “jack plant” often included a single-cylinder horizontal engine that rotated one eccentric wheel.*

The beam walked and the oil surfaced, but a more efficient system

was needed. One of the early oil pumping innovations came from an 1875 patent. An "Improvement in Means for Pumping Wells" allowed pumping of multiple wells with a single steam engine. The technology helped boost efficiency in the early oilfields of Venango County, Pennsylvania.

The new pumping method applied a system of linked and balanced walking beams to pump the oil wells. Wooden or iron rods instead of a rope and pulley system made the technology the forerunner of more efficient production methods.



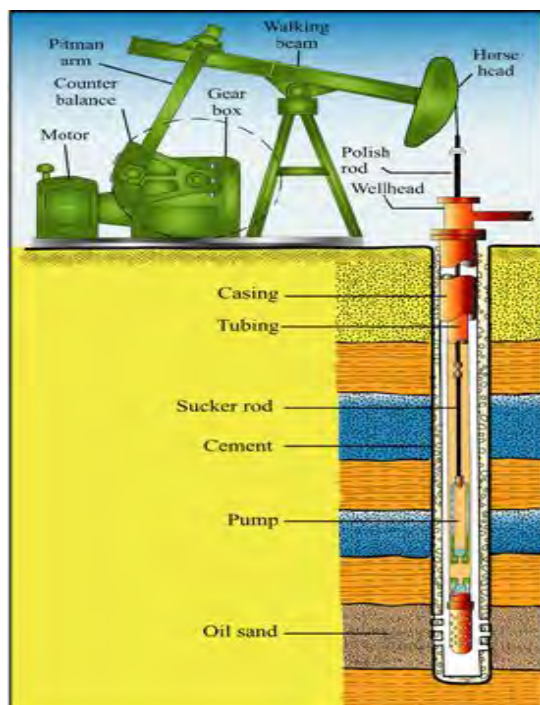
*Sketched by Walter Trout in 1925, a prototype of his counterbalanced pump jack was in an oilfield before the end of the year.*

As efficient as central power units were, time and technology changed the oilfield again. A new icon of U.S.

petroleum production appeared and was soon known by many names: Donkey, Grasshopper, Horse-head, Thirsty Bird, and Pump Jack, among others.

As East Texas timber supplies dwindled and the sawmill business declined, the long-established Lufkin Foundry & Machine Company discovered new opportunities in the oilfield. As more oil discoveries were made, the company – in Lufkin, Texas – not only survived, but prospered.

Walter Trout was working in Texas for Lufkin Foundry & Machine in 1925 when he sketched out his idea for the now familiar counterbalanced oil well pump jack. Before the end of the year, the prototype was installed and working near Hull, Texas, in a Humble Oil Company oilfield.



"The well was perfectly balanced, but even with this result, it was such a funny looking, odd thing that it was subject to ridicule and criticism, and it took a long time, nearly a year, before we could convince many the idea was a good one," Trout explained.

*Key to pumping the oil (and often set to run on a timer), an engine turns gears that move a counter weight connected to the walking beam,*

which moves the sucker-rod up and down to up draw oil. The oil is pumped into nearby holding tanks.

Modern stripper wells still look much like Walter Trout's original, but they enjoy the reliability and efficiency that 85 more years of evolving technology have produced.

Lufkin Industries produces a variety of oil well pump units designed to meet worldwide needs. More than 200,000 units have been sold.

### **Advancements in Efficiency**

As with nearly every segment of the petroleum industry, artificial lift systems – including the venerable pump jack – are also benefiting from inclusion of “smart” technology, notes a representative from another leading oilfield supply company.

“The computer-based technology is used to monitor and analyze pump systems in realtime from miles away, quickly and with minimal human interference,” says Paul Nelson of Weatherford International Ltd., Houston.

“On pump jacks that means constant monitoring of well production and the lift unit in order to optimize energy usage while maximizing the amount of oil recovered from reluctant zones,” Nelson adds.

Smart well technology is of particular importance to the United States, where a very large portion oil is produced from thousands of stripper wells producing less than 10 barrels a day, Nelson explains.

Many stripper wells have reached such a depleted pressure state that once they are shut in they can never be economically restarted. The majority of them must be kept alive by oil well pump jacks.

*The lighting of the “Rudolph the Red Nosed Pumping Unit” in Lufkin, Texas, has included more than 1,000 lights decorating a 38-foot-tall pump jack. Photo courtesy the Lufkin Daily News.*

“By improving pump efficiencies without adding significantly to operating costs, smart well technology stands to extend by



years the economic life of many of these wells and, by extension, add millions of barrels of oil to U.S. reserves,” he concludes.

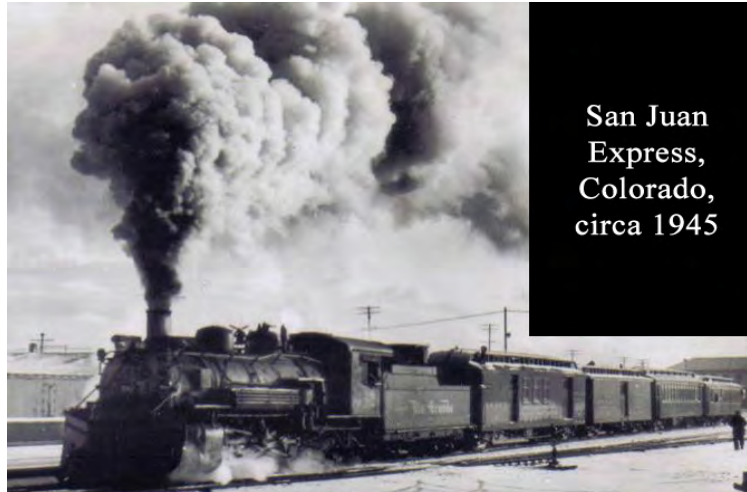
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## Modern Transportation—A Miracle under Attack

By Steve Goreham

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*Ed. Note: Mr. Goreham is the Executive Director of the Climate Science Coalition of America, a non-political association of scientists, engineers, and citizens dedicated to informing Americans about the realities of climate science and energy economics.*

Modern transportation is amazing. Each day, millions of people fly, drive, or are transported across our world for business, pleasure or to see distant family members. These trips, which are powered by petroleum-based fuels, were all but impossible a century ago. But today, many of our leaders call for elimination of hydrocarbon-fueled transportation.

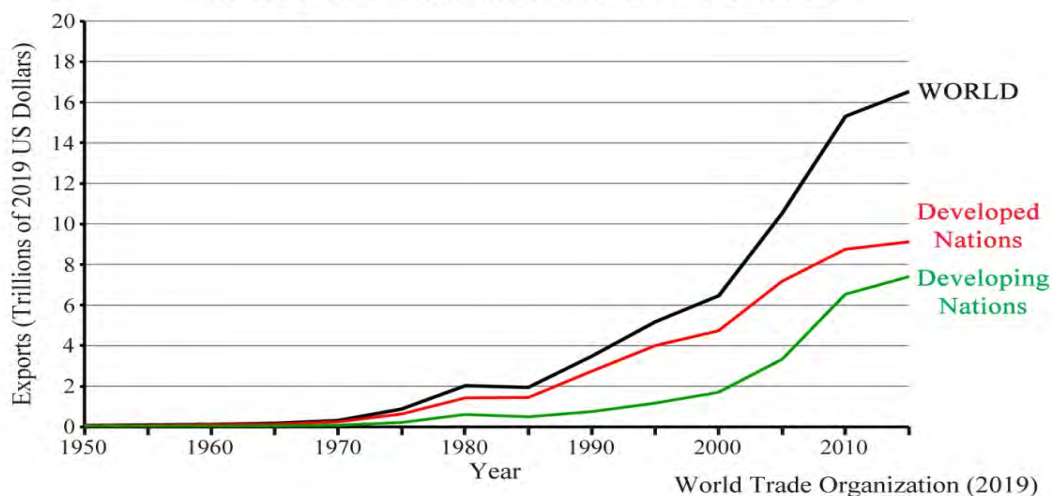
Between 1840 and 1860, more than 250,000 people [traveled](#) by wagon train from Independence, Missouri to the west coast on the Oregon Trail. Horses and oxen carried the settlers on this 2,000-mile, six-month journey. Disease, attacks by Native Americans, and run-overs by wagons claimed the lives of more than 15,000 travelers. Today, a family can make this same journey in a few days in the safety of their air-conditioned van.

Throughout most of history, traded goods were carried by camel, wagon, and sailboat. Although world trade increased throughout most of human history, the [value](#) of global exports in 1900 was only about \$10 billion in today's dollars.

Since 1900, world merchandise trade [skyrocketed](#) to \$19.7 trillion per year in 2018, a gain of almost 2,000 times. Each day, trucks, trains, ships, and planes transport more than 100 million tons of freight. Petroleum fuel powers more than 90 percent of this cargo.



## World Merchandise Trade 1950-2015



Trains belching smoke typified early hydrocarbon-fueled transportation. But over the last 50 years, humanity has all but eliminated dangerous pollutants from vehicle exhaust. Environmental Protection Agency data [shows](#) that US vehicles now emit 99 percent less common pollutants (carbon monoxide, nitrogen oxides, and particles) than the vehicles of 1970.

The only remaining emissions from most engines are water vapor and carbon dioxide. But carbon dioxide (CO<sub>2</sub>), a harmless, odorless, invisible gas that people exhale and plants use in photosynthesis, has been demonized.

Last week, 200 celebrities [attended](#) a Google-sponsored climate change conference near Palermo on the island of Sicily in Italy. Movie stars, business executives, and royalty traveled by private jet, yacht, helicopter, and limousine to this exotic location to discuss how humans are destroying the climate.

Dozens of articles criticized the hypocrisy of the extravagant travel by these elites and the large release of CO<sub>2</sub> emissions. But aviation fuel powers 99 percent of commercial air travel and almost all of the other vehicles, leaving no practical alternatives.

Zach Wichter [declared](#) that air travel is now “going electric” in a *New York Times* article last month. But the only example he could cite was a plan for an experimental hybrid aircraft to be deployed in Hawaii that burns aviation fuel as the primary propulsion with batteries as a backup.

Jet fuel [has](#) a specific energy of 43 megajoules per kilogram (MJ/kg). The best lithium-ion batteries deliver a specific energy of only about 0.9 MJ/kg. Electric engines are more efficient, but jet fuel engines still have an energy advantage of almost 20 times compared to batteries.

Gasoline- and diesel-powered automobiles are a modern miracle taken for granted. The average family of four can travel 400 miles in comfort on a \$50 fill up. Internal combustion engine (ICE) vehicles also [hold](#) a 20-times energy density advantage over batteries. This is energy available to power SUVs and small trucks, a growing share of demand in the

US, China, and much of the world.

Plug-in battery vehicles [suffer](#) from the weaknesses of high cost, short driving range, small carrying capacity, a lack of charging stations, and expensive battery packs that must be replaced during the vehicle life. And who wants to wait 30 minutes for a recharge, even if one can find a charging station?

Yet governments now plan to force people to buy electric cars and even to ban traditional cars. Austria, Britain, France, Germany, Netherlands, Norway, Scotland, and several other nations recently [announced](#) intentions to ban ICE vehicles during the next two decades. Battery electric vehicle sales are growing, but still [captured](#) only about 1.5 percent of world markets in 2018.

Swedish climate activist Greta Thunberg [announced](#) that she will take a sailboat to the next world climate conference in Santiago, Chile in December 2019. Her decision not to take an aircraft may save CO2 emissions, but will turn a one-day trip into two weeks of travel each direction.

Electric utilities across the world are now required by laws to urge customers not to use electricity, the product which they produce. If climate fears continue, look for airlines and cruise ship companies to be required to urge consumers not to use their services as well.

As Cardinal George Pell of Australia [remarked](#), “Sometimes the very learned and clever can be brilliantly foolish, especially when seized by an apparently good cause.”

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