

2008 Barnett Shale Royalty & Landowner Symposium

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Not All Leases are the Same



**Rights of the Royalty Owner
are determined by specific
wording of the lease.**

Virtually All Terms of a Lease May Be Negotiated

A Lease Determines

- Amount of royalty to be paid
- How the royalty will be paid
- What expenses are to be deducted
- “Market Value”
- “Percentage of Proceeds”
- How will the surface be used
- Pooling issues

Mineral Estate vs. Surface Estate

Texas favors oil & gas production,
therefore the mineral estate is dominant
of the surface estate.

Surface Damages

- Texas law allows producers to use as much of the surface as necessary (in most leases).
- Texas law does now allow producer to be negligent in use of surface

Type of Damages

- Damages to surface
- Reasonable accommodation
- Pollution
 - Salt Water Spills
 - Oil Spills
 - Pipeline leaks
 - Pollution of Ground Water

What is Pooling?

**The process of combining land
from more than one lease
into a single production unit.**

Pooling as an Advantage

Pooling as a Disadvantage

Improper Pooling

Diligent Development