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This newsletter is intended for landowners and other members of the public with interest in the oil and gas industry. Each newsletter is also posted on our website at

[http://msue.anr.msu.edu/program/info/oil\\_and\\_gas](http://msue.anr.msu.edu/program/info/oil_and_gas).

If you would like to be added to the e-mail list to receive this newsletter, please contact the editor. You can also contact your local MSU Extension Office to obtain copies of the newsletter and other free oil and gas leasing information.

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### **Northern Michigan Mineral Owners Form Coalition**

Editor's note: The following article was written by Tom Young and Jack Miller, two of the founders of the Northern Michigan Mineral Owners Coalition

Tom Young and Jack Miller, Northern Michigan Mineral Owners Coalition

When mineral owners are approached to lease their rights, the petroleum industry is highly skilled in leasing, and individual owners are at an extreme disadvantage. Leveling the playing field is the basic goal of the Northern Michigan Mineral Owners Coalition (NMMOC.)

The coalition was formed after two meetings in early 2013, each drawing over 200 people to Hillman, Michigan.

The first meeting in late January featured David Lawrence and Mike Shelton, geologists for the Michigan Department of Environmental Quality's gas and oil division. They described various hydrocarbon yielding geologic formations found in the northern Lower Peninsula. Specific emphasis was placed on the Utica/Collingwood shale formation that is expected to be the next big development in Michigan and which could impact much of the northern Lower Peninsula.

Also at that meeting, Curtis Talley Jr. talked about mineral leases and leasing strategies. He is a farm management educator with Michigan State University Extension.

The second meeting was held in late April, to give those who go south in the winter an opportunity to learn about it, help organize it and join the coalition. Members attending decided to formally organize and officers were elected.

NMMOC is following a model made popular across the nation in areas impacted by hydrocarbon development. In every state that has such development, mineral owners are joining together to “level the playing field.” During the shallow Antrim shale formation development in the early 1990’s, Fred and Jack Miller, with family land in Hillman, helped their friends and neighbors to negotiate an exceptionally good lease using this model. Fred had a career negotiating contracts for major corporations and Jack was the detail man and strategist in that effort. Members of the original group launched NMMOC to create a larger effort to prepare for the current development of deeper formations including the Utica/Collingwood.

NMMOC is in a growth mode and continues to expand its area of coverage and its penetration within the areas it currently has a presence. At the current time, membership is open to any mineral owner with property located in the northern half of the Lower Peninsula. In the three months since forming, NMMOC has added over 100 owner groups representing over 10,000 acres located in nine counties. A website, to help get the message out, is in the design stage. Currently there is no cost to join the coalition but that is just temporary. Expenses incurred by the coalition will be paid through one or more member approved assessments, on a per acre basis. As more members join, the costs per member go down and the potential reward for each member goes up.

The goals of the coalition go far beyond just getting leases for the members that are fair and equitable. NMMOC realizes the impact this development will have on the communities involved and intends to have a voice at the table.

Anyone interested in joining NMMOC may contact Fred Miller at [fwmiller46@charter.net](mailto:fwmiller46@charter.net) or call him at 636-209-4404.

## **Compendium of Oil and Gas Newsletter Oil and Gas Leasing and Mineral Rights Topics**

Curtis Talley Jr. Farm Management Educator Michigan State University

Since October of 2010, Michigan State University Extension, in cooperation with industry, educators and legal experts has written this newsletter to provide educational information to the public on negotiating and understanding the oil and gas lease, State of Michigan oil and gas drilling regulations, hydraulic fracturing and mineral rights ownership.

The document “**Compendium of Oil and Gas Newsletter Oil and Gas Leasing and Mineral Rights Topics**” lists each newsletter topic by publication date so that it is easy to find information on your topic of interest. This document can be found on the Michigan State University Extension Oil and Gas webpage at [http://msue.anr.msu.edu/program/info/oil\\_and\\_gas](http://msue.anr.msu.edu/program/info/oil_and_gas) under Michigan State University Extension resources.

## **How to determine if an oil and gas lease is recorded for your property**

Curtis Talley Jr. Farm Management Educator Michigan State University

When you purchased your property, it is likely that the title company that provided your title insurance did not include any information regarding existing oil and gas leases. The reason for this is that mineral rights are an exception to title insurance, and therefore, the title company does not look for them in the public records. “Both disclosed or undisclosed easements and rights of way are exempted from title insurance coverage. Grants of mineral and water rights over the land to companies or private developers are exempted from title insurance coverage in some states, particularly in the West, according to the American Bar Association”.<sup>1</sup> Some properties may not be covered under title insurance so these properties would normally have an abstract which is a series of deeds that tracks the historical ownership of a property. Because of these exceptions, a property could be purchased with an existing oil and gas lease and the buyer not be aware of it. You may want to review your abstract with a land professional to establish if it is complete.

How do you determine if your property is already subject to a recorded oil and gas lease? A search of the public records at the county register of deeds office is necessary. For example, in Oceana County, the public records are available on-line, or you can go to their office. You can

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<sup>1</sup> Anna Assad, What are the Exceptions to Title Insurance Coverage? <http://homeguides.sfgate.com/standard-exceptions-title-insurance-coverage-7092.html>.

search by name or by legal description. The mineral owner at the time is considered the Grantor (person granting the lease) and the Grantee (lessee) is the company. If you search by legal description, the quarter section, section, township and range are required.

The more specific you make the legal description, the more focused the search becomes. For example, a search using the NE of Section 22, Township 15 North, Range 18 West will be more specific than using the section number only. Each county may have a slightly different web format to make the search.

The search will display the document number, the legal description, type of document (deed, O&G lease, farm lease, mortgage, etc.) and filing date, along with other filing information. You will be able to see the number of pages on the results screen before viewing the document. In Oceana County, in order to view the document there is a charge of \$1.20 per page. While viewing the document, you can print one page or multiple pages at no additional charge.

The author did a search for an oil and gas lease in Oceana County and discovered the lease was recorded, but not the Exhibit A or the Side Letter Agreement the lease stated were also part of the document. This indicates that alterations from lease negotiations were made utilizing a combination of exhibit A and a side letter and either or both parties wanted to keep them confidential.

You can find oil and gas leasing and mineral rights information on the Michigan State University Extension Oil and Gas webpage at [http://msue.anr.msu.edu/program/info/oil\\_and\\_gas](http://msue.anr.msu.edu/program/info/oil_and_gas) under Michigan State University Extension resources.

### **Follow up educational survey released**

Michigan State University Extension is attempting to measure the decisions mineral rights owners are making when it comes to oil and gas leasing. We have prepared a landowner oil and gas survey. One purpose of the survey is to determine if people are using the educational information MSU Extension is providing to evaluate, understand and perhaps negotiate changes to the oil and gas lease they have been offered. **All survey results are confidential.** In fact, you do not even sign it.

The survey uses a “before” and “after” approach. What oil and gas lease terms were offered? Did you negotiate changes? What were those changes? Did you sign a lease or not sign a lease?

If you have not received a survey, but would like to complete one, please contact Curtis Talley Jr 231-873-6741 or [talleycu@anr.msu.edu](mailto:talleycu@anr.msu.edu).

**Please share your oil and gas experiences**

The editor is very interested in hearing both your positive and negative experiences dealing with oil and gas leasing or production. All information is kept confidential and is combined with data from other landowners to analyze the effectiveness of the educational effort. Report your experiences to the editor by phone at 231-873-2129 or [talleycu@anr.msu.edu](mailto:talleycu@anr.msu.edu) e-mail.