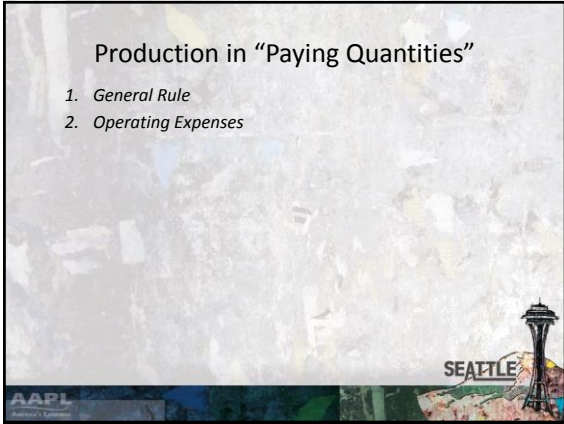


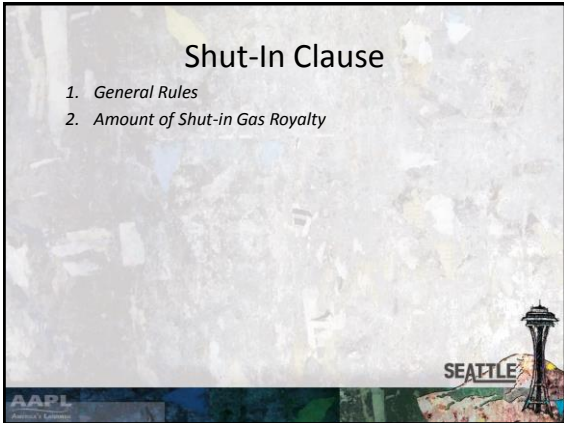
Production in "Paying Quantities"

1. *General Rule*
2. *Operating Expenses*



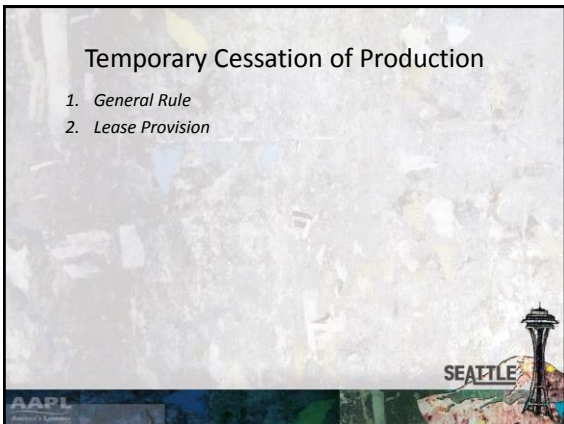
Shut-In Clause

1. *General Rules*
2. *Amount of Shut-in Gas Royalty*



Temporary Cessation of Production

1. *General Rule*
2. *Lease Provision*



Delay Rental Clause

1. *General Rule*
2. *Permitted Excuses for Faulty Payment*
3. *Modification of Delay Rental Provision – Change Condition Into a Covenant*

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Definition of “Operations”

1. *General Rule*
2. *Obstruction Doctrine or Lockout Rule*

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Pooling

1. *Reasons for Pooling*
2. *Voluntary, Compulsory or Both*
3. *Unleased Mineral Owners*
4. *Effect of Pooling (or Not Pooling) Non-Participating Royalty Owners*
5. *Termination/Release*
6. *Miscellaneous Issues (Varies by State)*

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Calculations and Payments of Royalties

1. *Meaning of a "Market Value" Gas Royalty Clause*
2. *Items of Expense Deducted From Royalty Payment/Post Production Costs (PPCs)*
3. *Implied Covenant to Market*
4. *Methods by Which Royalties Are Calculated*
5. *When Are Royalties Due and Penalties for Late Payment*
6. *Statute Allowing Interest Owners to Perfect a Security Interest in Proceeds from a Well*
7. *Statute Allowing One Working Interest Owner to Share in the Proceeds of Another Working Interest Owner's Gas Contract*
8. *Are Take or Pay Proceeds Royalty Bearing?*
9. *Does the Discovery Rule Apply to Royalty Payment Claims?*

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Seismic Activity

1. *Who Has the Right to Conduct or Authorize Seismic Tests?*
2. *Does the Lease Grant the Exclusive Right to Conduct Seismic Tests?*
3. *Liability for Wrongfully Condemning Land*

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Surface Issues

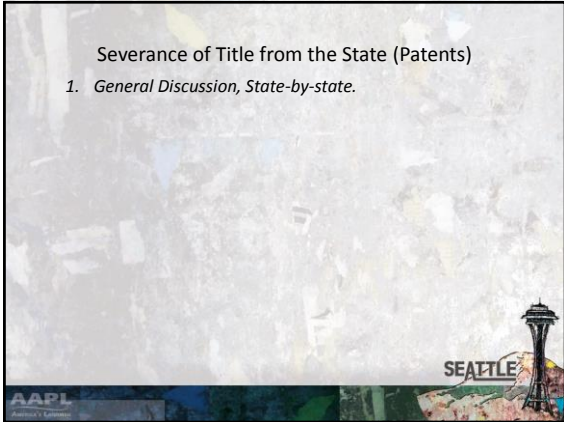
1. *General Rule as to Payment; Surface Damage Act*
2. *Lessee's Right to Use the Surface, Water, Etc.*
3. *Obstruction Doctrine*
4. *Accommodation Doctrine*

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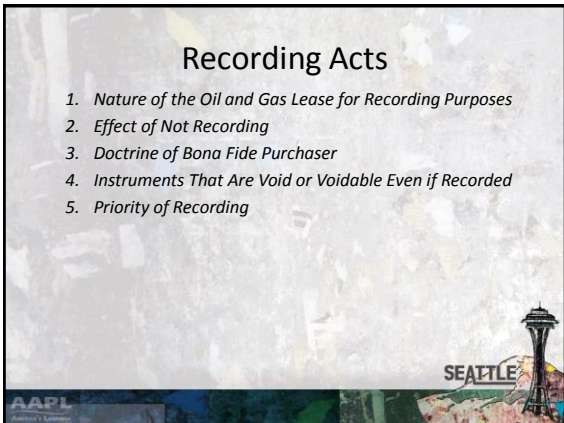
Severance of Title from the State (Patents)

1. *General Discussion, State-by-state.*



Recording Acts

1. *Nature of the Oil and Gas Lease for Recording Purposes*
2. *Effect of Not Recording*
3. *Doctrine of Bona Fide Purchaser*
4. *Instruments That Are Void or Voidable Even if Recorded*
5. *Priority of Recording*



Interesting/Important/Unique Conveyancing Rules

1. *Duhig Rule (Overconveyance)*
2. *Effect of a Large Non-Participating Royalty*
3. *"Strip and Gore" Doctrine and the "Mother Hubbard" Clause*
4. *Conveyance of Mineral Acres or Royalty Acres Instead of an Undivided Interest*
5. *Omnibus/Coverall/Global Legal Description*
6. *Reservation In Favor of Third Party*
7. *"Pore Space" Ownership Issue*
8. *State Unique Issues*

