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March 2008 NEWSLETTER

GREAT NEWS! CPL WEBCASTS AVAILABLE!!

MAPL, in association with HAPL, now offers timely and educational Webcasts !!! The first will be on Thursday, April 24, 2008 at MSU-B Downtown, Billings, MT at 7:00 am MST. MAPL will still hold its annual Seminar on July 17th and 18th in Billings at the Petroleum Club. This Webcast is an *additional* seminar being offered by MAPL.

MAPL will be hosting a site for the Houston Association of Professional Landmen Technical Workshop webcast on **Thursday, April 24, 2008 at 7:00 am** (due to Houston starting the event at 8:00 Central Time). This program should be approved by AAPL for **7.0 CP/RPL/RL education credits** (including 1 Ethics credit) and the presentations currently scheduled are as follows:

- 1) **Financing for Oil and Gas Companies** – An overview of the different levels of capital financing opportunities.
- 2) **Master Limited Partnerships** - Overview of issues revolving around MLP's.
- 3) **Unconventional Gas Plays** - A basic overview of the geology and engineering aspects of the Barnett Shale trend.
- 4) **Ethics** - A presentation that will provide opposing viewpoints behind the push towards landman licensing.
- 5) **Producing Property Acquisitions/Divestitures** – A basic overview of the different valuation methods employed today.
- 6) **Competitive Bidding Strategies** – A presentation on how to place bids online and tips on the sealed bid process.
- 7) **Mid-Stream and Marketing** - A basic overview of natural gas gathering and processing with an interpretation of important contract provisions for Landmen.

MAPL is launching this service with a webcast located at **MSU B-Downtown** Billings, Montana, Thursday, April 24, 2008 at 7:00 am with the intention of coordinating other webcast sites in western Montana and northeastern Montana when a webcast is offered in Billings. This is the very first webcast for **MAPL** with others expected to follow. The cost to sign up for this webcast is **\$75.00** per person and includes lunch. You do not have to be a member of MAPL or AAPL to attend. **To sign up**, simply call or email John Fredlund or Darcy Critchfield prior to **April 10, 2008**. **Payment** may be mailed to: MAPL, PO Box 1911, Billings, MT, 59103 in

advance to secure a spot OR will also be accepted the day of the event at the door if there is space. Please plan to attend as MAPL would like to participate in presenting many more webcasts down the road.

EPA Approves Montana Water Quality Standards

March 3, 2008, Helena, MT - Governor Brian Schweitzer and the Montana Department of Environmental Quality (DEQ) announced today that the US Environmental Protection Agency (EPA) has approved the 2006 non-degradation numeric water quality standards passed by the Montana Board of Environmental Review in November 2006. "Montana has been increasing its energy production at a faster rate than anytime in history and still protecting our water," said Governor Brian Schweitzer. "These non-degradation standards will ensure that we maintain high quality water and protect our irrigated lands in southeastern Montana." "We worked very hard to get EPA's approval of these standards," said Richard Opper, Director of the DEQ. "This is good news for Montana." Montana negotiated with EPA and the State of Wyoming for over a year on an agreement regarding water discharges resulting from extraction of coal bed natural gas from shallow coal seams in Wyoming and Montana. Water must be pumped from the coal in order to extract the gas, and that water often contains high concentrations of sodium salts. If much of that pumped water ends up in river systems, it can harm the fields irrigated with it. The negotiations did not result in a signed agreement between the two states, however, they did lead to EPA's eventual approval, of Montana's non-degradation standards. "I think farmers and ranchers in southwestern Montana will be particularly pleased," Opper said. "We appreciate EPA's partnership with Montana to protect the waters of the state." For more information visit the DEQ website at www.deq.mt.gov.



THE GRAPEVINE



With great sadness we report that **Lewis F. Penwell** died Friday, Jan. 4, 2008 after a long battle with cancer,. Lewis was born on the Spokane Ranch in Helena, April 8, 1930. He was the first son of L. Fred Penwell and Priscilla Garvin Penwell. Lew lived in Helena until the age of 12, when he moved to Billings with his family. The family lived on Grand Avenue across the street from Billings Senior High School, which he graduated from in 1948. Lew attended Stanford University for his freshman and sophomore years. He transferred to the University of Montana to complete his education. He was also co-captain of the university ski team during that time. He graduated with a bachelor's degree in business. While at the University, he met the love of his life, Diana Reynolds. They were married Dec. 27, 1952, and honeymooned in Banff, Canada, because of Lew's passion for skiing. It wasn't long before Diana "Dinny" shared his love for the sport as well. They eventually introduced their four children David, Sandy, Carol and Chris to the sport. Lew spent the next 54 years in the oil business. He worked for the Continental Oil Company for 14 years, first as a scout and then as an independent landman. The next 40 years he spent working as an independent landman. In 1971 Lewis was the President of the Montana Association of Professional Landmen. A celebration of Lew's life was held at the Billings Petroleum Club on Thursday, Jan. 10, at 4 p.m. On behalf of the Lewis Penwell Family, Carol Penwell sent the MAPL a lovely thank-you for the flower bouquet MAPL sent the family.

MAPL Treasurer Vikki Gray reports that as of January 31, 2008 the MAPL has \$5342.16 in a CD and \$9061.00 in checking. On February 1, 2008 the **MAPL** purged its database of members who did not pay their dues for 7/1/2007 through 6/30/2008. Please review the MAPL member directory at www.MAPLweb.org and review your listing. If you aren't there – you get 2 guesses as to why not. If you forgot to pay your dues ,

Vikki Gray is leaving St. Mary Land and Exploration for greener pastures in Denver, Colorado. Her laughter and professionalism will be greatly missed around these parts. We wish her the very best. Somehow I get the feeling we will see her again...especially if she needs to kick some butt at a trap shooting contest. Thanks for all your hard work and dedication with the MAPL. Best of Luck to you! Rumor has it that **Tim J. Keating** will be assuming her duties.

Tim Morris has left Berco Resources for a new position at the Canadian company Baytex Energy (USA) Ltd. He will be the VP of Business Development.

Dave Siple has joined McElvain Oil & Gas.

Rhonda Holtgrieve has resettled at EOG Resources. As some of you may know, EOG is referred to as "Edge of Greatness" Resources by its employees.

Trish Di Grappa has taken a full time position at Encana Oil & Gas. She must have been lured by the siren song titled "Every Friday Off and Eight Weeks of Vacation". Congratulations to Trish!

Sharon Regan has gone green. We hear she has left Venoco and joined Outland Renewable Energy LLC. Outland specializes in Wind Energy.

There seems to be lots happening at Anadarko these days. **Mark Petry** resigned in September and will be replaced by **Mike Nixson**, a 1982 University of Wyoming graduate. Most recently Mike was the Land Manager for Anadarko in the Delaware Basin. Our best guess is that the Delaware Basin is in Texas, but our Rockies maps tend to treat Texas as invisible. **Duane Fadness** has also left Anadarko to pursue other opportunities.

George Dolezal Jr., a longtime Denver geologist died December 7, 2007.

Joe Morgan, a well-liked Denver geologist died September 24, 2007.

Wendell Westfall, a Denver and Dallas landman died on November 6, 2007 at age 63. He will be greatly missed by those who knew him.

Rumor has it that Chesapeake has opened an office in Douglas, Wyoming and has gobs of landmen scooting hither and fro in the Converse County courthouse. Yikes!

AAPL Executive Vice President, **Robin Forte**' is recuperating from a recent heart attack. We wish him a speedy recovery and proffer some unwanted advice regarding the relationship between Southern fried foods and cholesterol. The two go together like mashed potatoes and gravy.

Speaking of other transplanted Coloradans – we are saddened by the recent death of **Russ Wright** in a bicycle accident in Fort Worth. Russ was a long-time landman in Denver for Champlin Resources and later Union Pacific Resources.

High oil prices bring Landmen out of retirement – imagine that. **Tom Sirola, Dennis Lopez** and **David Huff** just couldn't resist jumping back into the game again. Welcome back!

In our November 2007 newsletter we announced that **Bob Nance** was retiring from Nance Petroleum Corporation. Bob's idea of retirement was to move from Transwestern Plaza III to new offices in Transwestern I. So fortunately we still get to visit with him. Nance Petroleum Corporation has been a wholly-owned subsidiary of **St. Mary Land & Exploration** for the last 10 years. NPC has now been merged into St. Mary, effective December 1, 2007.

DENVER, January 31, 2008 – **St. Mary Land & Exploration Company** (NYSE: SM) today announces that it has closed the previously announced divestiture of non-core properties to **Abraxas Petroleum Corporation** and a wholly-owned subsidiary of Abraxas Energy Partners, L.P. The transaction had an effective date of December 1, 2007. The properties sold were located primarily in the Company's Rocky Mountain and Mid-Continent regions.

Time for the Happy Dance!

On February 19, 2008 (a day that will go down in history) – Oil futures closed at \$100.01 per barrel.

The luck of the ... Brazilians?

Brazil became a net energy exporter just last year, relying on sugar-cane ethanol production and hydroelectric power. But the recent discovery of a huge oil and natural gas reserve -- 5 billion to 8 billion barrels -- could propel Brazil into the big time. The light-crude discovery could put Brazil between Nigeria and Venezuela in oil reserves. And Peter Hakim of the Inter-American Dialogue notes that unlike Nigeria and Venezuela, Brazil is diversified enough to avoid the single-resource "oil curse."

Hunting for Trouble?

Things just keep getting better and better. Despite the strong opposition of SCI and other sporting groups, the California Fish and Game Commission expanded a statutory ban on the use of lead ammunition in condor "range" in central and southern California (about a 1/3 to 1/4 of the State). Lead ammunition is now prohibited in condor range for all big game (e.g., deer, elk, bear, wild pig) and non-game birds and mammals (e.g., crow, coyote, ground squirrels). While the legislative ban recently passed by the California Legislature and signed by Governor Schwarzenegger did not include non-game bird and mammals (other than coyote) and did not cover rimfire firearms, the regulatory ban covers all of these. Most troubling, the regulatory ban covers .22 caliber rimfire rifles, used mainly for small game. Currently, no nonlead ammunition exists for this firearm. In addition, the State's environmental review concluded that nongame bird and mammal carcasses do not represent a significant threat to the condor. The regulatory ban tracks the statutory ban's definition of condor "range" to include large areas of historic range where no condors currently exist. Consistent with SCI's comments, the Commission did define nonlead ammunition as allowing up to 1% lead, as currently available nonlead ammunition contains trace amounts of lead. Under the statute, the Commission must establish procedures to certify nonlead ammunition and a coupon reimbursement program if private funds can be found. Finally, the Commission established that mere possession of uncertified (i.e., leaded) ammunition and a firearm capable of discharging it in condor "range" is a violation of the law punishable by up to a \$1,000 fine and a year in jail. The lead ammunition ban goes into effect on July 1, 2008. Montana would secede from the United States of America if such regulations were put into force here.

A Big THANKS to the following list of the sponsors who donated to MAPL for the 2007 Christmas Party:

Nisku Royalty, LP - \$100

John J. Tonnsen - \$100

Shawn Heringer - \$100

Zone Exploration, Inc. - \$100

Hayes Oil & Title, Inc. - \$100

White Energy Corp. - \$100

Herco - \$100

Patrick H. Beddow - \$100

Brave River Production, LLC - \$50

Dick and Jerri Padon - \$50

Mike Okerman - \$50

Lonewolf Energy, Inc. - \$50

Total: \$1,000

Upcoming Events:

- March 18, 2008 - **Governor's Climate Change Dialogue**, Crown Plaza Hotel, Billings, MT . We invite attendance by MAPL members. For background info check out this website: <http://www.mtclimatechange.us/CCAC.cfm>
- March 27-28, 2008 - RMMLF – Oil and Gas Agreements: Joint Operations – Denver, CO
- April 10-11, 2008 - RMMLF – Resources Development and Climate Change — Phoenix, AZ.
- April 24, 2008 – **MAPL Web-X Seminar** to be held in Billings at the seminar room at MSU-B in downtown Billings. This is the Old Hart-Albin building. The AAPL will be awarding 7 credits (1 ethics) for this seminar.
- May 1-2, 2008 - RMMLF – Strategic Risk Management for Natural Resources Company and their Advisors – Domestic and International Issues — Santa Fe, NM.
- May 12-16, 2008 - RMMLF – Mining Law Short Course – Boulder, CO.
- June 11-14, 2008 – AAPL Annual Meeting – Chicago, IL.
- July 17-19, 2008 - RMMLF– 54th Annual Rocky Mountain Mineral Law Institute, Snowmass/Aspen, CO.
- July 17-18, 2008- **MAPL Annual Seminars**, Billings, MT.
- Friday, July 18, 2008 – **MAPL Golf Tournament** – Laurel Golf Course - \$90.00 – Contact Donna Heisler with any questions at 406-247-8726. A sign-up form will be in our May Newsletter.

Please forward all news tidbits to **Darcy Critchfield** at darcy@darcycritchfield.com.

GEOSCIENTISTS WALK OUT OVER DAYRATE.

ONE LANDMAN JOINS WALKOUT.



Montana Association of Professional Landmen
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