



Chapter 9

Cite as 21 *Energy & Min. L. Inst.* ch. 9 (2001)

An Eccentric’s Guide to Drafting Problems in Oil and Gas Leases

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¹ Jack Snyder lawyered with Columbia Gas Transmission Corporation in Charleston, West Virginia, from 1956 until his early retirement in 1993. In addition to providing the reader with guidance on drafting problems, this chapter chronicles much of the legal scholarship on oil and gas law published by the Foundation, and attests to Jack’s avid interest in the subject matter. If you’ve never been told a story about Jack or had a chance to meet him, this chapter is a good introduction — *Ed. note.*

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§ 9.01. Introduction.²**[1] — The Periodic Need to Review Standard Forms.**

I begin with a maxim: neither a landman nor a lawyer should ever assume that an existing form is drafted as it should be.³ No one has the perfect oil and gas lease. No company, no form book, and surely no lawyer. The more you see of other approaches, the more often you discover that someone else has a better solution. The trick is to discern whether a different way to skin a cat is better, or just different.

Preventive lawyering is so expensive that it is normally reserved to fix something that has gone sour. I think this explains why the bulk of preventive lawyering is done in-house rather than through outside counsel or land consultants. Even in the case of follow-up work after a crisis, in-house is the normal venue for the work.

Essentially, therefore, this chapter is likely to be of more value to in-house lawyers and landmen than to folks in private practice.

[2] — The Eccentricity of this Review.

My chapter is eccentric because it deals with some but not all of the substantive clauses commonly found in oil and gas leases. The principal goal is not for me to tell you how to draft one clause or another, or to discuss the law in detail. Instead, I want to introduce nine subjects with a

² For reasons soon to become apparent, I want to thank the companies and people whose cooperation was necessary to this chapter: Atlas Resources, Inc. and Michael Hartzel; Cabot Oil and Gas Corporation and Jeffrey Keim; CNG Transmission Corporation and Russell Johnson; Columbia Natural Resources, Inc. and Joseph Coalter and Barbara Thaxton; Eastern American Energy Corporation and Charles Goodin; Equitable Production Company and Lester Zitkus; Kilbarger Investments and Daniel Stohs; and Penn Virginia Oil & Gas Corporation and James Harsha. I hope that the work they and their predecessors have done in evolving the leases in my sample will be as thought-provoking to you as they have been to me.

The comments are mine alone. None of the companies even hinted at a desire to review this article before its publication, and so none of them or their land personnel or lawyers has to accept any responsibility for my opinions.

³ My use of “landman” instead of “land representative” is not sexist. It is an obeisance to the American Association of Professional Landmen. When the AAPL changes its name, the time will have come to avoid “landman” as a noun.