

Chairman Erbele and Member of the Natural Resource Committee for the record my name is Gene Harris.

As a split estate surface owner I want to be very clear that of all the issues that arise from Oil production that I am a big supporter of the Oil industry and the positive impacts it is having on our communities and state. To see the resurgence of youth in our community and their abilities to chase the Great American Dream is truly inspiring.

After 30 years of oil development on our Ranch I thought we may have seen almost every issue . With the new technology to produce the Baaken at economical levels brings a new set of challenges. As the leases of the minerals in drilling units become more complex.

I have shared our experience with fellow surface owners with the emphasis on having all issues in writing in there surface agreements and keeping a picture album of the process. When wells are first drilled and more profitable most issues get resolved fairly easily. Its 20 years from now and the companies have changed hands several times that issues become difficult to settle. When this happens there are no rules in place to help surface owners bring resolution to the problem other than a court room. With the Baaken discovery in its infancy. Now is the time to start the discussion to bring about the necessary changes that will secure our futures.

Issues,

No state agency for enforcement of surface issues

Dormant Mineral acres/should be returned to surface

Surface owner's inability to negotiate equal agreements with different companies

When one surface becomes subservient to another surface for the sake of development

When a evenly split spacing units permit comes under protest with the NDIC from 2 companies the surface owner is only considered when he becomes involved in the process

Mr.Dukart will present several more of these, as you all know they are very complex and solutions are not a one size fits all.

Thank You

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# Split Estate Land Owners Perspective

By: Gene Harris

As a split estate surface owner we  
did not buy the mineral rights, BUT  
WHAT DID WE BUY?

# As a Surface Owner did we buy this?



Energy Development wants to be a good neighbor, but they will only do what one requires them to do.

- The smallest detail must be in writing.
- Picture documentation from the beginning.



Here are a few examples of what comes with your surface owner agreement:



Salt water spills

# Road safety Issues





# Deteriorated Fences





# Livestock Losses





# Oilfield Debris





# Oil Spill





# H<sub>2</sub>S Gas



- These are only a few examples of what the surface owner can expect from twenty five years of oil and gas activity. So the question is, is a one time payment equitable and if it is not what is?