

In The Supreme Court of Ohio

CHESAPEAKE EXPLORATION, L.L.C., et al.,)	Case No. 2014-0067
)	
Petitioners,)	On Certified Questions of State Law from
)	the United States District Court for the
vs.)	Southern District of Ohio, Eastern Division
)	
KENNETH BUELL, et al.,)	S.D. Ohio Court Case No. 2:12-cv-00916
)	
Respondents.)	

REPLY BRIEF OF PETITIONER NORTH AMERICAN COAL ROYALTY COMPANY ON CERTIFIED QUESTIONS OF STATE LAW

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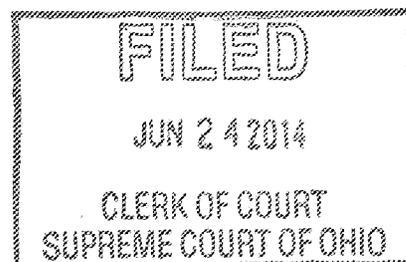
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**REPLY BRIEF OF PETITIONER NORTH AMERICAN COAL ROYALTY COMPANY
ON CERTIFIED QUESTIONS OF STATE LAW**

INTRODUCTION

The faulty premise of respondents' brief is that "Petitioners chose to do nothing for a period of twenty-four years and now ask this Court to give back to them what they clearly abandoned." (Resp. Br. p. 5.) In fact, North American leased its mineral interest to oil and gas producers, negotiated royalties with them, and collected rent from year after year – conduct totally inconsistent with any notion of "abandonment." It is the respondents and their predecessors who "chose to do nothing"; for 23 years after the enactment of the Dormant Mineral Act ("DMA") in 1989, none of them showed any interest in, or made any claim to, the minerals under this Harrison County property. Now they ask the courts to deliver them a windfall in the form of North American's valuable rights to the oil and gas under the property.¹ The Court should make clear, through its answers to the certified questions, that there is no basis for doing so under the DMA.

The First Certified Question

Respondents' main argument concerning the first certified question is that an oil and gas lease cannot be a "title transaction" because the lessor "remains the fee simple owner" and "retains his full ownership." (Resp. Br. at 19, 21.) That is true of an ordinary real estate lease, but not of an oil and gas lease. A lessor cannot possibly "retain full ownership" of his oil and gas estate after giving the lessee the exclusive right to remove and sell all of the oil and gas. The cases that respondents cite thus recognize that oil and gas leases are "more than a mere rental of

¹ The State of Ohio, appearing as an amicus, seeks the same thing as respondents. It is not a disinterested advocate of public policy, but a highly interested land owner – in fact, it has specifically laid claim, in correspondence with the petitioners here that it does not disclose, to oil and gas rights in Harrison County that were covered by the very same 1984 lease at issue in this case. (See correspondence, Pet. Reply Appendix p. 1-10.) Thus, the state is seeking the same windfall as the respondents, and shares their private interest.

the land . . . such as would be involved in a traditional lease” (*id.* at 18 n. 11 (quoting *In re Frederick Petroleum Corp.*, 98 B.R. 762, 766 (Bankr.S.D.Ohio 1989)); rather, they “convey [] the grantor’s interest in the gas well,” and are a “sale of the oil and gas under certain stipulations and provisions” (*id.* at 18 (quoting *Wellington Resource Group LLC v. Beck Energy Corp.*, 975 F.Supp.2d 833, 839 (S.D.Ohio 2013) (citing cases))).

Moreover, R.C. 5301.47(F) does not require that every “title transaction” involve a full transfer of title or ownership. That is clear from the fact that it specifically includes mortgages among its examples of title transactions. A mortgagor “retains full ownership” of his property; the “legal and equitable title to mortgaged real estate remains in the mortgagor so long as the condition of the mortgage remains unbroken.” *Levin v. Carney*, 161 Ohio St. 513, 520 (1954). So even if an oil and gas lessor somehow retained full ownership of his oil and gas estate, that would not disqualify the lease as a title transaction.

Respondents argue at length that an oil and gas lease is a “mere license,” but the decisions of this Court uniformly and unequivocally establish the opposite. *See Harris v. Ohio Oil Co.*, 57 Ohio St. 118, 129 (1897) (“[a]n instrument in such form is *more than a mere license*”) (emphasis added); *Brown v. Fowler*, 65 Ohio St. 507, 521 (1902) (“The instrument grants the oil and gas, and also the land for the purpose of operating thereon for said oil and gas, and it is therefore a lease, *and not merely a license.*”) (emphasis added); *Woodland Oil Co. v. Crawford*, 55 Ohio St. 161, 176 (1896) (“This is *more than a license.*”) (emphasis added); *see also Moore v. Indian Camp Coal Co.*, 75 Ohio St. 493, 499 (1907) (“the creation of a separate interest in the mineral with the right to remove the same, whether by deed, grant, [or] *lease*, . . . confers upon the owner of the mineral a *fee simple estate*”) (emphasis added). Respondents hang their hat on the lone case of *Back v. Ohio Fuel Gas Co.*, 160 Ohio St. 81 (1953), but *Back* is irrelevant

because, as the Court noted, it did not even involve an oil and gas lease – the contract in question there was “not a ‘lease’” at all. *Id.* at 85.

Even if respondents were correct that an oil and gas lease is a license, that would not determine whether a lease is a “title transaction.” Respondents cite no authority for the proposition that a “license” is not a “title transaction” under R.C. 5301.47(F). The Revised Code, to the contrary, expressly provides that an oil and gas “license,” like an oil and gas lease, must be recorded. R.C. 5301.09. The legislature recognized that a license or a lease affects title to the oil and gas estate.

Whether the lessee’s interest is technically a “fee simple determinable,” *Kramer v. PAC Drilling Oil & Gas LLC*, 197 Ohio App.3d 554, 2011-Ohio-6750, 968 N.E.2d 64, ¶ 11 (9th Dist.), or a “license” is immaterial anyway. What matters, and what is dispositive here, is that insofar as an oil and gas lease gives the lessee the right to drill for and take away all of the lessor’s oil and gas, it necessarily “affects” the lessor’s title to that oil and gas.

Amicus summarizes its similar arguments concerning the first certified question as follows: “No lease – not even an oil-and-gas lease – transfers a fee estate to the lessee or affects the lessor’s ultimate ownership of the leased property.” (Amicus Br. at 13.) Under this Court’s jurisprudence, an oil and gas lease does, indeed, transfer an “estate in the lands,” *Harris*, 57 Ohio St. at 130-131, *i.e.*, a “fee simple determinable.” *Kramer*, 197 Ohio App.3d at 559. But the test under R.C. § 5301.47(F) is not, in any event, whether there was a “transfer” of a “fee” interest. That sets the bar too high. The test is simply whether there was *any* transaction that “affected” *any* interest in land of any kind. An oil and gas lease undeniably “affects” the lessor’s interest in his property. Amicus’s suggestion that an oil and gas lease is just like any ordinary lease and does not “affect[] the lessor’s ultimate ownership of the leased property” (Amicus Br. at 13) is blind to the plain reality that the lessor is entitled to dig up, take away, and sell the leased

property. It is hard to imagine how any transaction could more significantly “affect” the lessor’s ownership.

The Second Certified Question

Respondents’ main argument with respect to the second certified question is that the termination of a lease cannot be a “title transaction” unless it is recorded in its own separate document. Respondents apparently concede that a lease termination is a “title transaction” if it is separately recorded. (Resp. Br. at 25-26.) The DMA contains no requirement that all “title transactions” be recorded in separate, individual documents, however, and there is no reason for such a requirement. The undisputed purposes of the DMA – to remove uncertainty about the ownership of mineral rights, and allow for the elimination of truly dormant interests – are fully satisfied by a recording that tells any interested person who owns the minerals, who is leasing the minerals, and when and on what terms the lease will end.

Remarkably, amicus tries to argue that a lease expiration is not a “transaction” at all. By any commonly accepted definition – such as “an occurrence in which goods, services, or money are passed from one person to another” (Merriam-Webster Online Dictionary (2014) available at <http://www.merriam-webster.com/dictionary/transaction> (accessed June 23, 2014)) – it is. Of course there is a transaction when the oil and gas rights are passed from the lessee back to the lessor.

Amicus notes that R.C. 5301.09 “specifically contemplates that the expiration of a lease can and will be independently recorded.” (Amicus Br. at 17.) That is true, and it only underscores the legislature’s understanding that a lease termination, like the lease itself, is an important title transaction of which all interested parties should be put on notice. Section 5301.09 provides that both leases of oil and gas, and the expiration of such leases, be recorded, because both “affect title.”

Finally, neither respondents nor amicus come to grips with the unavoidable fact that if a mineral owner is leasing his mineral rights, and is actively collecting rental payments for those rights, he cannot reasonably be said to have begun to “abandon” them. Once the lease expires and the oil and gas are returned to him, he should not be deemed to have “abandoned” his interest unless and until the statutory period of 20 years has passed without further activity. A negative answer to the second question would mean, in effect, that an oil and gas owner can be deemed to have abandoned his interest after a period much shorter than the 20 years provided by the legislature – 15 years in the case of a five-year lease. The Court should not permit that result.

ARGUMENT

- I. As to Certified Question No. 1: An Oil and Gas Lease Is a “Title Transaction.”**
- A. Section 5301.47(F) Does Not Exclude Leases, and Includes Transactions That Do Not Transfer Title.**

Respondents argue that “the plain language of the ODMA does not list a lease as a title transaction.” (Resp. Br. at 11.) That is correct, but it does not help to answer the certified question. Section 5301.47(F) provides examples of “title transactions,” but its list of examples is not exclusive or exhaustive. To the contrary, it defines a “title transaction” as:

[A]ny transaction affecting title to any interest in land, including title by will or descent, title by tax deed, or by trustee’s, assignee’s, guardian’s, executor’s, administrator’s, or sheriff’s deed, or decree of any court, as well as warranty deed, quit claim deed, or mortgage.

R.C. 5301.47(F) (emphasis added).

The District Court accordingly rejected respondents’ argument that a lease cannot be a title transaction merely because a “lease” is not one of the listed examples:

The definition of a title transaction in § 5301.47(F) provides a non-exhaustive list of what is considered a title transaction. The word “including” means it is not exclusive, and other unlisted transactions may qualify as title transactions. . . . Defendants’ argument would require the Court to render the word “including”

superfluous in the OMTA [Ohio Marketable Title Act]. The list in the OMTA is non-exhaustive. Thus, failure to include an oil and gas lease in the list does not mean an oil and gas lease is not a title transaction under the OMTA.

(Dist. Ct. Op. at 14-15) (Pet. Merit Br. App. at 162-163).²

Respondents argue that “every document listed [in R.C. 5301.47(F)] clearly affects an interest in title, unlike a lease.” (Resp. Br. at 13.) They overlook that mortgages – a type of “title transaction” specifically listed in § 5301.47(F) – do not transfer title or ownership. “The legal and equitable title to mortgaged real estate remains in the mortgagor so long as the condition of the mortgage remains unbroken.” *Levin v. Carney*, 161 Ohio St. 513, 520 (1954); *see also Stand Energy Corp. v. Epler*, 163 Ohio App.3d 354, 2005-Ohio-4820, 837 N.E.2d 1229, ¶ 13 (10th Dist.) (“[I]n Ohio, a mortgage is merely a security for a debt, and the legal and equitable title to the property remains in the mortgagor until the mortgage is foreclosed and a sale consummated, or until a mortgagee otherwise extinguishes the right of the mortgagor to redeem.”). Since a mortgage does not involve a transfer of title or ownership, it “is characterized by statute in Ohio as a ‘lien.’” 69 Ohio Jurisprudence 3d Mortgages § 1 (2013); *see also* R.C. 5301.39 (listing circumstances under which a court shall order the clerk to make an entry concerning a “mortgage or other lien”); R.C. 5301.40 (listing procedures when a “mortgage or other lien” is satisfied by suit); R.C. 5301.41 (stating the effect of reversal of judgment regarding a “mortgage or other lien”).³

The simple truth is that a “title transaction” does not have to involve, and is not limited to, a transfer of title or ownership. The argument advanced by respondent and amicus that only actual transfers of title or ownership can qualify as “title transactions” under the DMA is

² Amicus concedes that the “list is not exhaustive” (Amicus Br. at 8.)

³ Amicus concedes that a mortgage “may not affect ownership of property initially,” but only has “the potential to affect property ownership.” (Amicus Br. at 9.) (emphasis omitted).

unfounded. (See, e.g., Amicus Br. at 13 (“No lease . . . transfers a fee estate to the lessee or affects the lessor’s ultimate ownership”). The statutory definition is clearly much broader than that. The test is not whether an oil and gas lease transfers title, but whether it “affects” title.

A “‘title transaction’ does not have to be a conveyance. . . . The transaction must merely ‘affect’ the interest [in land]. Clearly, an oil and gas lease is an instrument which affects an interest in such minerals.” *Bender v. Morgan*, Columbiana C.P. No. 2012-CV-378, at 4 (Mar. 20, 2013); (Pet. Merit Br. App. 276.)

By its plain language, the statute does not require a conveyance or transfer of real property in order to constitute a title transaction Even if Defendant’s property interests through the lease are something less than a grant of real property, those interests quite clearly still *affect* title to the mineral rights in the property.

McLaughlin v. CNX Gas Co., No. 5:13CV1502 (N.D. Ohio Dec. 13, 2013), at 5 (emphasis added). (Pet. Merit Br. App. 204). It is hard to imagine what could “affect” the lessors’ title to his oil and gas estate more than the lessee’s right to extract and sell all of the oil and gas.

B. An Affirmative Answer to Question 1 Would Not Render Any Part of the ODMA “Superfluous.”

Respondents also argue that a lease cannot be a savings event because that would render other provisions of the ODMA “superfluous.” (Resp. Br. at 15.) They assert:

If an executed oil and gas lease was enough to prevent the mineral interest from automatically vesting in the surface estate under the ODMA, then whether there was “actual production or withdrawal” from the property covered by that lease would be irrelevant because the lease itself would operate to prevent automatic vesting.

(*Id.*) This argument, too, is mistaken, and was properly rejected by the District Court:

No part of the statute would be rendered superfluous by finding that an oil and gas lease is a title transaction. The ODMA states that “one or *more* of the following” savings events restarts the twenty-year clock. Ohio Rev. Code § 5301.56(B)(3) (emphasis added). This necessarily means that the Ohio Legislature contemplated that those events could happen simultaneously or in

succession and made clear that the combination of, or occurrence of individual events would each reset the twenty-year clock.

(Dist. Ct. Op. at 16.) (Pet. Merit Br. App. 164).

The execution of a lease, and production under that lease, are different events that occur at different times, and each separately preserves the mineral owner's rights. For example, if an oil and gas lease were executed in 1984, the twenty-year DMA clock triggered by that savings event would run until at least 2004; if actual production under the lease commenced in 1987, the twenty-year clock would then restart and run until at least 2007, a three-year difference that could be very significant to a DMA claim. And another savings event occurs when the lease expires and the oil and gas interest reverts to the lessor. Each of these savings events has separate consequences under the DMA, and none would be "irrelevant" if a lease of oil and gas is properly treated as a "title transaction."

Under respondents' logic, even a deed conveying the mineral estate would not be a savings event, since the DMA provides that "actual production or withdrawal of minerals by the holder" is a savings event. R.C. 5301.56(B)(3)(b). If a conveyance of the minerals were enough to prevent vesting in the surface owner, then actual production by the mineral owner would be "irrelevant," so the conveyance itself must not be a savings event. Nor would a drilling permit be a savings event, because that, too, under respondents' logic, would make actual production under the permit "irrelevant."

Of course respondents do not and cannot contend that a sale of the minerals is not a savings event, or that a drilling permit is not a savings event. *See* R.C. 5301.56(B)(3)(d). Their "statutory interpretation" argument leads to manifestly absurd results. An oil and gas lease, like

a sale or a drilling permit,⁴ prevents vesting in the surface owner, *in addition* to “actual production.”

C. Decisions of This Court Establish That an Oil and Gas Lease Is More Than an Ordinary Real Estate Lease, and More Than a License.

Respondents and amicus are comparing apples to oranges when they try to apply principles of law regarding leases generally to the special circumstances of oil and gas leases. This Court long ago made clear that an oil and gas lease conveys “a vested, though limited, estate in the lands for the purposes named in the lease.” *Harris v. Ohio Oil Co.*, 57 Ohio St. 118, 130 (1897). And the Ninth District Court of Appeals, relying on *Harris*, noted that an oil and gas lease “convey[s] ownership of the oil and gas estates . . . ,” or a “fee simple determinable.” *Kramer v. PAC Drilling Oil & Gas, L.L.C.*, 197 Ohio App.3d 554, 2011-Ohio-6750, 978 N.E.2d 64, ¶ 11 (9th Dist.). Unlike ordinary real estate leases, oil and gas leases do grant an ownership interest, and must be recorded. R.C. 5301.09. Because they are more than mere rentals of the land, allowing the lessee to drill for and carry away the lessor’s property, “oil and gas leases are not regarded as leases in the ordinarily accepted meaning of the term but as a sale of petroleum products in accordance with certain stipulations and provisions embodied in a contract.” 68 Ohio Jurisprudence 3d Mines and Minerals § 29 (2011).

Respondents and amicus overlook this obvious difference between an oil and gas lease and other types of leases. Amicus relies on the basic law of ordinary real estate leases to argue that a lease does not transfer title:

When land is leased, fee simple ownership of the land “remains in the lessor.” *See Rawson v. Brown*, 104 Ohio St. 537, syl. ¶ 1 (1922); *see also Smith v. Harrison*, 42 Ohio St. 180, 185 (1884).

⁴ *See* Dist. Ct. Op. at 16-17 (Pet. Merit Br. App. 164-165.) (“Further, although application for a drilling permit is a savings event . . . that does not render the ‘actual production’ clause in § 5301.56(B)(3)(b) superfluous even though a permit is required before actual production may take place . . .”).

Because “the possession of the tenant . . . is always the possession of his lessor,” a lessee does not possess any ownership interest or estate in the land being leased. *See Rawson*, 104 Ohio St. at 545-46.

(Amicus Br. at 9.) From this irrelevant premise, amicus draws the faulty conclusion that “[b]ecause a mineral-rights owner’s title is not affected by a lease, a lease is not a title transaction as that term is defined in R.C. 5301.47(F).” (*Id.* at 10.) But a correct analysis should be based on decisions of this and other courts that specifically concern oil and gas leases, and establish that oil and gas leases do convey a form of ownership.

Amicus asserts that because *Back v. Ohio Fuel Gas Co.*, 160 Ohio St. 81 (1953) was decided more recently than *Harris*, it should be followed here, calling it “the Court’s most recent decision on the question” (Amicus Br. at 12.) But the *Back* case did not decide “the question” here; indeed, it did not even involve an oil and gas lease, or any lease at all. The Court thus noted the parties’ concession that the instrument conveying the oil and gas rights was not a lease: “the instrument [noted] in question is *not a ‘lease’* because it grants rights in perpetuity, reserved nothing in the nature of rent, and the rights granted are not subject to defeasement upon the happening of any conditions.” *Back* at 85 (emphasis added).

This Court’s earlier decision in *Harris* — not cited in the *Back* case, and not overruled — made clear that an oil and gas lease conveys an estate and is not a mere license.⁵ The Court specifically said so: “An instrument in such form is *more than a mere license*” *Harris*, 57 Ohio State at 129 (emphasis added). The Court has said the exact same thing in all of its decisions addressing this issue. *See Brown v. Fowler*, 65 Ohio St. 507, 521 (1902) (“The instrument grants the oil and gas, and also the land for the purpose of operating thereon for said oil and gas, and it is therefore a lease, and *not merely a license.*”) (emphasis added); *Woodland*

⁵ R.C. 5301.09’s requirement that both oil and gas “licenses” and “leases” be recorded reflect, the legislature’s recognition that these are two different things.

Oil Co. v. Crawford, 55 Ohio St. 161, 176 (1896) (stating that an instrument that “granted, demised and let the oil, gas and tract of land . . . is more than a license; it is a lease of the land, oil and gas for a limited time and purpose”) (emphasis added); see also *Moore v. Indian Camp Coal Co.*, 75 Ohio St. 493, 499 (1907) (a severed mineral interest, whether created “by deed, grant, [or] lease, . . . confers upon the owner of the mineral a *fee-simple estate*”) (emphasis added).

Respondents and amicus rely heavily on *Wellington Resource Group LLC v. Beck Energy Corp.*, 975 F.Supp.2d 833 (S.D. Ohio Sept. 20, 2013). (See Resp. Br. at 18-19; Amicus Br. at 12-13.) But *Wellington* did not involve the DMA or the Marketable Title Act at all. The issue in *Wellington* was simply whether a broker could recover commissions for selling oil and gas leases without being a licensed “real estate broker.” The *Wellington* court’s conclusion that a lease is “not a grant of real property,” *id.* at 841, for that purpose is irrelevant here.

Wellington does, however, note an important aspect of the extensive Ohio case law on oil and gas leases: historically, the courts have regarded some oil and gas contracts as mere licenses, and others as leases that grant a property right, depending upon the language used in the contract. *Id.* at 839. The 1974 and 1984 leases here are of the type that has always been recognized as more than a license. Respondents and amicus simply ignore that these leases are exactly like the leases in the earlier cases decided by this Court (*Harris*, *Brown*, *Woodland*, and *Moore*).

The 1984 lease provided that the lessor “does grant, demise, lease and let unto lessee, exclusively, for the purposes of prospecting and exploring by geophysical and other methods, drilling, mining, operating for and producing oil and gas . . . all that certain tract of land . . . described as follows, to wit:” (Pet. Merit Br. App. at 43) (emphasis added). The *Harris* lease was virtually identical; it provided that the lessor “granted, demised, and let onto the said party of the second part, for the purpose and with the exclusive right of drilling, operating for

petroleum oil and gas, *all that certain tract of land . . .* described as follows: . . .” *Harris*, 57 Ohio St. at 119 (emphasis added). As this Court made clear, “an instrument in such form is *more than a mere license.*” *Id.* at 129 (emphasis added).

Respondents cite cases from “jurisdictions outside of Ohio” to bolster their argument for a different rule from the one repeatedly articulated in *Harris* and this Court’s other decisions. (See Resp. Br. at 20-21.) But the cases they cite contain, at most, passing references to oil and gas leases; one case does not mention them at all. (See *id.* at 21 (citing *Johnson v. Sourignamath*, 90 Conn.App. 388 (Conn.App.Ct. 2005)). These opinions are not helpful here and have no bearing on the definition of “title transaction” under R.C. 5301.47(F).

To the extent out-of-state law is of interest, it bears noting that the law in other oil and gas states, such as Texas, is closely aligned with Ohio law:

In Texas it has long been recognized that an oil and gas lease is not a “lease” in the traditional sense of a lease of the surface of real property. In a typical oil or gas lease, the lessor is a grantor and grants a fee simple determinable interest to the lessee, who is actually a grantee. Consequently, the lessee/grantee acquires ownership of all the minerals in place that the lessor/grantor owned and purported to lease, subject to the possibility of reverter in the lessor/grantor.

Natural Gas Pipeline Co. of Am. v. Poole, 124 S.W.3d 188, 192 (Tex. 2003) (quoted by the 9th District in *Kramer*).

Amicus is simply wrong in stating that, “at the end of the day, there is no reason to treat oil-and-gas leases differently than any other lease for purposes of the Dormant Minerals Act.” (Amicus Br. at 13.) An oil and gas lease is necessarily unique and different from other property leases. An oil and gas lessee has the exclusive right under the terms of the lease to drill for, take away, and sell the lessee’s property. That is very different from a standard real estate lease, is no mere license, and clearly “affects” the title of the lessor.

II. As to Certified Question No. 2: The Expiration of the Oil and Gas Lease Is a “Title Transaction.”

A. The Expiration of a Lease Is a “Transaction.”

Amicus starts by contending that the termination of an oil and gas lease is not even a “transaction.” By any reasonable definition, it is. A transaction is simply “an occurrence in which goods, services, or money are passed from one person, account, etc., to another.” Merriam-Webster Online Dictionary (2014) available at <http://www.merriam-webster.com/dictionary/transaction> (accessed June 23, 2014). It is undeniable that upon termination of a lease giving the lessee exclusive rights to mine and take possession of minerals, that bundle of rights “is passed from” the lessee back to the lessor, and that a “transaction” occurs.

Not only that, it is a *title* transaction. Courts have recognized that if a lease is a “title transaction” as shown above, then “there can be no dispute that the release of rights under the lease qualifies as a title transaction as well.” *McLaughlin, supra*, at 5 (Pet. Merit Br. App. at 204); *see also Schucht v. Bedway Land & Minerals Co.*, Harrison C.P. No. CVH-2012-0010, at 2 (Apr. 21, 2014) (Pet. Merit Br. App. at 208); *Davis v. Consolidation Coal Co.*, Harrison C.P. No. CVH-2011-0081, at 3 (Aug. 28, 2013) (Pet. Merit Br. App. at 267). The expiration of a lease at the end of a term has exactly the same effect as a release – it returns the oil and gas rights to the lessor – and is also a title transaction.

B. The Expiration of Recorded Oil and Gas Lease Is “Recorded” for Purposes of the DMA.

Respondents and amicus argue that the lease expiration here cannot be a title transaction because it was not recorded. (Resp. Br. at 21-22; Amicus Br. at 15-18.) But it was recorded, in the lease itself. The DMA contains no requirement that every title transaction be recorded in a separate, independent document.

Recorded oil and gas leases provide for, and give notice of, two separate transactions: a transfer of the oil and gas interest to the lessee, and a reversion, after a specified term, to the lessor. These two title transactions are both “filed or recorded,” as required by the statute, in one document. Nothing prevents a single recorded document from recording two transactions, or from recording a transaction prospectively.

The Michigan Supreme Court addressed this directly, stating that “two transfers occur when an interest in oil and gas is leased: one at the execution of the lease, and a second when the lease is terminated.” *Energetics, Ltd. v. Whitmill*, 497 N.W.2d 497, 502 (Mich.1993). Since “[b]oth of these transfers of interest were evidenced in the recorded lease,” the recorded lease gives sufficient notice of the lease’s expiration: “A separate act of recording would not have been necessary to put the world on notice of this event.” *Id.*

Anyone checking the status of the title of the subject matter property would have to be on notice of the recorded lease and its expiration date, that being the expiring of the lease at the end of its term.

Id. This reasoning is sound. Respondents cannot meaningfully distinguish the *Energetics* decision, so they simply say it is wrong – “decided in error.” (Resp. Br. at 30.) Amicus tries to distinguish *Energetics* by arguing that the DMA “defines a savings event more narrowly” than the Michigan Dormant Mineral Act. (Amicus Br. at 19.) In fact, the DMA’s definition is much broader. Under Michigan’s statute, a recorded “transfer” of a mineral interest is a savings event, Mich. Comp. Laws § 554.291.(1), but under the DMA, as shown above, no actual transfer is necessary. There is no reason in the language of the two statutes for a different result in Ohio.⁶

⁶ The *Energetics* court rejected the argument that the 20-year dormancy period is tolled during the entire term of a lease on the ground that Michigan’s legislature did not include the words “subject to” a lease in the statute. *Energetics* at 502. But Ohio’s legislators did include such language (“subject of” any “title transaction”). A mineral interest remains “the subject of” a recorded lease until the lease expires. It is thus even clearer in Ohio than in Michigan that there should be a full 20-year dormancy period after the lease expires.

C. Section 5301.09 Shows That a Lease Expiration Is Understood to Affect Title.

Amicus correctly notes that R.C. 5301.09 provides for recording the expiration of oil and gas leases, and argues that this shows that the legislature did not regard a recorded lease as an “adequate record” of the lease’s expiration. (Amicus Br. at 17.) The issue presented here is not, however, whether the record of the lease expiration is somehow “adequate” under some unidentified test of adequacy, or would be better if filed separately, but whether there is some record of the expiration in the office of the county recorder, so that it qualifies as a recorded “title transaction.” Since the lease indisputably puts the terms of the expiration into the record, it meets the requirement of a recording.

The real significance of R.C. 5301.09 here, rather, is that it shows the legislature regarded a lease expiration as a title transaction. The purpose of the statute is to ensure that interested purchasers are put on notice that an oil and gas lease no longer exists – because such a lease, and its expiration, clearly would “affect” title to the property.⁷

D. The Purposes of the DMA Are Fulfilled by Recognizing the Expiration of a Lease as a Title Transaction.

Respondents argue that a lease termination should not be regarded as a savings event unless it is separately recorded because without a separate document, title examiners would be

⁷ Amicus also points to R.C. 5301.332. (Amicus Br. at 17.) That statute contains an elaborate process for declaring oil and gas leases forfeited, quite similar to the process under the DMA for declaring mineral interests abandoned. If an oil and gas lessee does not abide by specific covenants or the lease expires, the lessor may have the lease publicly cancelled by following three steps: (1) serving notice on the lessee of his intent to declare the lease forfeited; (2) filing, thirty to sixty days later, an affidavit of forfeiture with the county recorder; and (3) if the lessee has not claimed that the lease remains in full force and effect, causing the county recorder to note upon the margin of the recorded lease that it has been cancelled. “Thereafter the record of the lease shall not be notice to the public of the existence of the lease or of any interest therein or rights thereunder.” R.C. 5301.332. The existence of this procedure highlights the importance of oil and gas leases to persons who are searching title in Ohio, and leaves no doubt that, in the legislature’s view, an outstanding oil and gas lease “affects title.” Were it not so, there would be no reason to provide for public cancellation in this manner.

“forc[ed] to guess the commencement date of the abandonment period” (Resp. Br. at 32.) But no “guesswork” is required; the recorded lease, by identifying the lessor, the lessee, the lease terms, and the lease duration, puts any interested person searching the record on detailed notice, and enables him or her with only minimal inquiry to determine whether the lease is active. (During the primary term, the lessor or lessee can confirm whether the lease remains in force because delay rental payments have been made. After the primary term, it will be obvious whether the lease has expired from the presence or absence of active production on the site.) That accomplishes the basic purposes of the DMA: “to remedy uncertainties in titles” *Texaco, Inc. v. Short*, 454 U.S. 516, 524 n. 15 (1982); *see also* UDMIA, Prefatory Note, at 1 (Pet. Merit Br. App. at 106) (“Dormant mineral interests in general, and severed mineral interests in particular, may present difficulties if the owner of the interest is missing or unknown.”), and to promote development. The recorded lease, by giving notice of the terms of the lease and of its termination, eliminates uncertainty about current ownership of the oil and gas, eliminates any concern about “missing or unknown” owners, shows that the owner has not abandoned his mineral interest, and enables interested persons to contact the owner and pursue development of the minerals.⁸

There is nothing in the DMA which says or suggests that a title searcher cannot be required to perform some minimal inquiry to determine the current status of a recorded lease or other title transaction. Again, the Michigan Supreme Court directly addressed this point, and rejected the argument made by respondents that recognizing the expiration of a lease as a savings

⁸ As the Michigan Supreme Court stated in recognizing the expiration of recorded lease as a savings event: “If the mission of the Legislature was to make it possible for a developer to locate the owners of severed oil and gas rights and obtain leases of those interests to facilitate drilling and production of oil and gas, that mission was accomplished” here. *Energetics*, 497 N.W.2d at 503.

event would “negate” the legislature’s “intent to simplify record title related to severed mineral interests.” (Resp. Br. at 32.)

We are conscious of the fact that the stricter interpretation offered by the Court of Appeals, which we reject, might have simplified the work of those seeking to determine ownership of severed interests by searching the records. However, . . . the dormant minerals act “was not designed to remove all possible impediments to development. Its purpose is to limit the difficulties presented by unknown or unlocatable owners.” . . .

Moreover, we reject the contention that our construction of the act will significantly increase the burden of those seeking to determine ownership of severed interests. When a lease is recorded, the provisions of the lease are available to anyone who conducts a title search. The terms of the lease indicate whether further inquiry may be required to determine if the lease continues in force. We are not prepared to say that such an inquiry is significantly more burdensome than determining whether, within a preceding twenty-year period, the land to which the severed interest is tied has actually produced oil or gas, was used for underground storage, or was covered by a drilling permit.

497 N.W.2d at 504-505 (emphasis omitted). All of that is true here, too. The minimal inquiry that might be required to determine whether a lease has expired is no more burdensome than an inquiry into the other savings events in R.C. 5301.56(B)(3), which cannot be identified from title records alone.

Citing *Ionno v. Glen-Gery Corp.*, 2 Ohio St.3d 131 (1983), amicus argues that “this Court has recognized [that] the mere fact that a mineral interest has been leased does not mean that the interest is being used productively.” (Amicus Br. at 18.) But the issue under the DMA is not whether the minerals are being “used productively” at all times – it is whether they have been *abandoned*, such that a forfeiture, disfavored in Ohio, should be declared. If mineral rights have been leased and the lessee is paying rent for those rights, it is obvious that the lessor has not abandoned, and should not be deemed to have abandoned, the rights. The question in *Ionno* was very different: whether the lessee had breached its obligation under the terms of the lease by

failing to develop the land, and whether such a failure justified forfeiture of the lease. The Court held that making annual payments under the lease did not “relieve the lessee of his obligation [under the terms of the lease] to reasonably develop the land,” *Ionno* at 134, but that forfeiture of the mineral rights was not an appropriate remedy because it is “such an extreme measure.” *Id.* at 135. If anything, this only confirms that leased mineral interests cannot be considered “dormant” insofar as there is an expectation that they will be developed. There is no basis in *Ionno* or any of this Court’s other decisions for holding that a mineral interest is being abandoned, and becoming subject to the “extreme measure of” forfeiture, at the same time they are under lease and a lessee is paying rent for exclusive rights to the minerals.

It is respondents' proposed rule of law, not petitioners', that would be inconsistent with the purposes and plain language of the DMA. If the expiration of a lease does not restart the 20-year dormancy period, then a mineral interest could be "deemed abandoned" after only 15 years, in the case of a 5-year lease, or 10 years, in the case of a 10-year lease, for example. The mineral owner's efforts to develop the property by maintaining an active relationship with a producer for 5 years would simply be disregarded, and the statutory period of 20 years would be dramatically shortened by judicial interpretation.

CONCLUSION

For the foregoing reasons, and those set forth in Petitioner's Merit Brief, the District Court's questions should both be answered in the affirmative.

Respectfully submitted,

By: ~~Jeffery D. Ubersax~~ by *J. Todd Thomas*
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Attorneys for Plaintiff
North American Coal Royalty Company

CERTIFICATE OF SERVICE

I certify that on this 24th day of June, 2014, a copy of the foregoing was served via regular U.S. Mail upon the following:

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*Counsel for Amicus Curiae
State of Ohio*

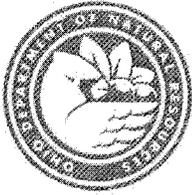
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Jeffery D. Ubersax by J. Todd Rennie
Jeffery D. Ubersax *plc attorney*
Attorney for Petitioner
North American Coal Royalty Company

APPENDIX



Ohio Department of Natural Resources

JOHN R. KASICH, GOVERNOR

JAMES ZEHRINGER, DIRECTOR

June 8, 2012

Jody C. Jones
Chesapeake Energy
P.O. Box 6070
Charleston, WV 25362

Re: Basis of Ohio Division of Forestry's Claim to the Oil and Gas Mineral Interests for Harrison State Forest, Harrison County, Ohio

Dear Mr. Jones:

This is in follow-up to your request for information regarding the Ohio Division of Forestry's belief that the previously severed oil and gas mineral interests under the Harrison State Forest were abandoned and became vested in the Division of Forestry as the surface owner prior to Chesapeake Exploration, LLC. entering into a lease agreement with North American Coal Royalty Company in 2011. Please be advised that, after consultation with members of the Ohio Department of Natural Resources' legal staff, the basis of this belief, as discussed below, is the application of the 1989 version of Ohio's Dormant Mineral Act (Ohio Revised Code 5301.56) to the facts of this case.

In a January 31, 2012 letter, a copy of which is attached hereto as Attachment A, Chesapeake Energy, in support of its application for an oil and gas drilling permit for the Kenneth Buell 8H Well, submitted to the Division of Oil and Gas Resources Management a Certificate of Title prepared by Attorney William Taylor. In addition to reviewing that Certificate of Title, ODNR staff conducted an independent courthouse search for the acreage referenced in Mr. Taylor's title report as well as the additional acreage of Harrison State Forest. That review found the same relevant documents discussed in Mr. Taylor's title report and that these documents appear relevant to both the Buell 8H Well acreage and the other acreage at Harrison State Forest.

Ohio's Dormant Mineral Act was originally enacted in 1989 and was amended effective June 30, 2006. A copy of the 1989 Version of that statute is attached hereto as Attachment B. Subsection (B)(1) of that statute states that any mineral interest of a non-surface owner of the applicable lands "...shall be deemed abandoned and vested in the owner of the surface..." if certain events did not take place within the preceding twenty (20) years.

Jody C. Jones

June 8, 2012

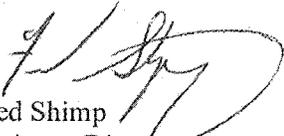
Page two

One of the actions that would avoid the automatic abandonment under Subsection (B)(1) was if the mineral interest was the subject of a title transaction filed with the appropriate county recorder. It is unclear if an assignment of an oil and gas lease meets the definition of a title transaction. Even if an oil and gas assignment meets this definition, Mr. Taylor's Certificate of Title does not reflect a filing regarding the subject oil and gas interest between the May 30, 1985 assignment of lease from C.E. Beck to Carless Resources filed in Lease Volume 70, Page 312 and a December 16, 2008 filing, in Volume 178, Page 1138 of the Harrison County Recorder's Office, of the Quitclaim Deed from Bellaire Corp. to North American Coal Royalty Company. This was a gap of over twenty three (23) years. In addition, this was a gap of over twenty one (21) years between the assignment of the oil and gas lease from C.E. Beck to Carless Resources and the June 30, 2006 amendment to Ohio's Dormant Mineral Act.

It appears that, based on a review of the records of Harrison County Recorder's Office and the records of the Division of Oil and Gas Resources Management, the other criteria set forth in the Dormant Mineral Act were not met during the time periods discussed above. Therefore, the severed oil and gas interests below Harrison State Forest, pursuant to Ohio's 1989 Dormant Mineral Act, were abandoned under the mandatory "shall" language set forth above on or about May 31, 2005 and these oil and gas rights reverted to the Division of Forestry at that time.

The above, is a short synopsis of the Division of Forestry's position and, of course, it reserves the right to present additional facts in support of its position if it becomes necessary. If you have reason to believe that the previously severed oil and gas interests for the Harrison State Forest acreage have not been abandoned and vested in the Ohio Division of Forestry as surface owner, please provide specific information with supporting documentation upon which that belief is based. Otherwise, please advise the undersigned regarding any proposal you may have as to how to resolve this matter.

Sincerely,


Fred Shimp
Assistant Director



January 31, 2012

Rick Simmers, Chief
Division of Oil and Gas Resource Management
3575 Forest Lake Drive, Suite 150
Uniontown, OH 44685

Re: Kenneth Buell 8H Well

Dear Chief Simmers:

At your request, attached is a copy of the Certificate of Title obtained by Chesapeake Energy Corporation ("Chesapeake") for the North American Coal Royalty Company lease. This Certificate of Title covers land located in the unit for the Kenneth Buell 8H Well. As you will note, the rendering attorney, William Taylor, certifies that record title to all oil, gas and other minerals, and all drilling rights, are vested in North American Coal Royalty Company. Mr. Taylor is a well-respected oil and gas attorney with extensive experience in Ohio land titles.

As you have indicated, the Division of Forestry for the State of Ohio (the surface owner of the property where the well is located) has questioned whether the minerals have reverted to it under the Dormant Mineral Act. While Mr. Taylor's Certificate of Title does not specifically reference the Dormant Mineral Act, we did speak with him regarding this matter and he remains firm in his opinion that North American Coal Royalty Company owns the oil and gas.

After you have had an opportunity to review this letter and the enclosed Certificate of Title, please call me so that we can arrange for a meeting to address any questions or comments you may have. I look forward to hearing from you.

Very truly yours,

Jody C. Jones

Enclosure(s)

RECEIVED

FEB 1 2012

ODNR/DNR/M
UNIONTOWN FIELD OFFICE

Chesapeake Energy Corporation
P.O. Box 6070 • Charleston, WV 25362 • 414 Summers St. • Charleston, WV 25301
304-353-5016 • fax 304-353-5231 • Jody.C.Jones@chk.com

REPLY APPENDIX 3



JOHN D. NEUMANN
Secretary

Telephone: 972-448-5400
E-Mail: john.neumann@nacoal.com

NORTH AMERICAN COAL ROYALTY COMPANY

June 22, 2012

Fred Shimp
Assistant Director
Ohio Department of Natural Resources
2045 Morse Road
Columbus, Ohio 43229-6693

Re: Ohio Division of Forestry's Claim to the Oil and Gas Mineral
Interests for Harrison State Forest

Dear Mr. Shimp:

On June 11, 2012, North American Coal Royalty Company ("NACoal") (successor in interest to The North American Coal Corporation) received from its lessee, Chesapeake Exploration, L.L.C., a copy of your June 8, 2012 letter to Jody C. Jones setting forth the basis for the Division of Forestry's "belief" that NACoal's oil and gas interests under the Harrison State Forest were abandoned and became vested in the Division under the 1989 version of Ohio's Dormant Mineral Act ("DMA"). NACoal had not previously been aware of the Division's "belief." I write to explain that the Division's belief is unfounded.¹

On January 16, 1984, The North American Coal Corporation entered into an oil and gas lease with C.E. Beck Associates, Inc. ("Beck"), which was duly recorded in its entirety. The lease had a primary term of five years, provided that Beck either drilled for oil or gas, or made annual delay rental payments of \$3,033.12. Beck assigned the lease to Carless Resources Inc. ("Carless") in May 1985. NACoal's records reflect that Beck and Carless made the delay rental payments required by the lease in January of each year from 1985 to and including 1988, and that the lease accordingly continued in force for the full five-year term, until January 15, 1989. Attached are the following documents that, among others, confirm this:

(1) a copy of a January 17, 1986 check from Carless to NACoal, in the amount of \$3,033.12, with an accompanying "Delay Rental Payment Remittance Advice and Transmittal" from Carless;

(2) a summary of the lease dated August 16, 1989, reflecting that delay rental payments were made "1-31-85 — 1-31-88"; and

¹ Please understand that this letter is not intended to address due process issues and the right of a severed mineral interest owner to be given notice and an opportunity to be heard before it can be determined that a mineral interest has reverted to the surface owner under the 1989 version of DMA.

(3) a letter dated December 19, 1989 from Beck to NACoal, stating that the lease "expired January 16 [sic], 1989."

Since NACoal was actively charging and collecting rent for its oil and gas interests until 1989, NACoal clearly did not "abandon" those interests in 1985, as your letter suggests. The oil and gas interests remained the "subject of a title transaction that has been filed or recorded" under the DMA until January 1989 at the earliest. The lease continued to "affect [the Division's] title" to the surface under Ohio R.C. 5301.47(F) until then; indeed, "an outstanding oil and gas right renders the title to the surface land defective." 68 Oh. Jur. (3d ed.), *Mines and Minerals* § 29.

In addition, oil and gas interests covered by a lease which is being maintained in effect by production are not subject to abandonment. The same result should apply if the lease is, instead, being held by the payment of delay rentals. Delay rental payments, like production, perpetuate an oil and gas lease and keep it in full force and effect. The important point is that the severed oil and gas interests are subject to a valid and operative lease. The manner in which the lease is being held in effect is immaterial.

Although our research indicates that no Ohio court has considered the application of the DMA to similar facts, the Michigan Supreme Court has. The court held that the 20-year abandonment period under Michigan's Dormant Minerals Act began to run when an oil and gas lease reached the end of its primary term in 1961 after the lessee had made the last required delay rental payment — *not* when the lease was recorded in 1951. *Energetics Ltd. v. Whitmill*, 442 Mich. 38, 497 N.W.2d 497 (1993). The court cited with approval an appellate court decision involving similar facts:

Were this not so and defendants' contention accepted, termination of plaintiffs' interests by running of the 20-year period would have the effect of treating as abandoned those interests which were being actively maintained for nearly a 10-year period of time from 1944 to 1954. This cannot be so.

497 N.W.2d at 503 (quoting *Mask v. Shell Oil Co.*, 77 Mich App. 25, 31-32, 257 N.W.2d 256 (1977)). The court also noted: "When a lease is recorded, the provisions of the lease are available to anyone who conducts a title search. The terms of the lease indicate whether further inquiry may be required to determine if the lease continues in force." *Id.* at 504 ; *see also id.* at 502 (quoting trial court's opinion that "[a]nyone checking the status of the title of the subject matter property would have to be on notice of the recorded lease and its expiration date, that being the expiring of the lease at the end of its term").

The same result would obtain under Ohio's DMA, for the same reasons. Since the 20-year abandonment period did not begin until 1989 at the earliest, NACoal's oil and gas interests could not revert to the surface owner under the DMA before 2009.

Mr. Fred Shimp
June 22, 2012
Page 3

By that time, of course, the DMA had been amended to add "new, specified notification and affidavit requirements for allowable vesting to occur." (Bill Analysis, Sub. H.B. 288, Ohio Leg. Service Comm'n, at 2.) The Division has not attempted to satisfy, and could not satisfy, those requirements. Accordingly, NACoal continues to own the oil and gas interests. NaCoal has never abandoned those interests, and will vigorously defend and protect its ownership of them.

Although the Division has not filed a notice under Ohio R.C. 5301.56(E)(1), NACoal intends to file a claim to preserve its oil and gas interests under R.C. 5301.56(C), so that there is no room for doubt about its intentions with regard to this property.

We assume that the Division was not previously aware of the facts set forth above, and expect that, with this additional information, the Division will recognize that there is no basis for any claim of abandonment under the DMA.² Please share this letter with the Division's counsel and feel free to contact me to discuss this matter. We very much wish to avoid any dispute with the Division, and hope that it will not be necessary to pursue any legal remedies to protect our property interests.

Sincerely,

NORTH AMERICAN COAL ROYALTY COMPANY



John Neumann, Esq.
Secretary

JDN/ikb

Enclosures

cc: James F. Melchior, President of NACRC
Thomas A. Koza, Esq., Vice President of NACRC
Keith F. Moffatt, Esq., Counsel, Chesapeake Exploration, L.L.C.

² We note that the Division's belief is incorrect for other reasons as well. In *Riddel v. Layman*, No. 94CA114, 1995 WL 498812 (Ohio Ct. App., 5th Dist., July 10, 1995) the Court of Appeals stated that under the original DMA, a "title transaction must have occurred within the preceding twenty years from the enactment of the statute, which occurred on March 22, 1989." If a savings event, such as the recording of a lease, occurred in this 20-year "look back" period, there was no abandonment. Here, of course, two NACoal leases were recorded during that 20-year period.

In addition, a Certificate of Amendment was filed in Harrison County on July 7, 1992 (copy attached), changing the name of The North American Coal Corporation to Bellaire Corporation — another "title transaction" that was inconsistent with any abandonment of the oil and gas interests.

Enclosure

DELAY RENTAL PAYMENT

REMITTANCE ADVICE AND TRANSMITTAL

VOUCHER NO.	CHECK NO. 156543
DATE 1/18/86	AMOUNT 3033.12

PAID BY

Carless Resources Inc.
Rt. 2 Box 2174
New Philadelphia, Ohio 44663

The accompanying check is in payment of delay rental due party (or parties) whose names appear below.

The payment covered by this check is made to conform in every respect with the terms of the lease mentioned.

Please enter credit on your books accordingly and date the yellow receipt copy the day it is received and NOT date of actual entry. SIGN THE RECEIPT COPY and forward receipt to us by next mail. Retain this copy for your file.

PAID TO

North American Coal Corporation
12800 Shaker Blvd.
Cleveland, Ohio 44120

PAYMENT FOR 12 MONTHS	PERIOD BEGINNING January 31, 1986	RECORDED IN - BOOK 68
PAID UNDER OIL AND GAS LEASE NO. OH-34-140001	DATED January 16, 1984	RECORDED - PAGE 597
COVERING LANDS IN Harrison COUNTY, STATE OF Ohio		

COVERING LAND DESCRIBED AS

3,033.12 acres, more or less, situated in Archer Township

TO BE CREDITED TO	INTEREST	AMOUNT
Same as above	all	\$3,033.12
RECEIVED JAN 24 1986 CORPORATE REL.		

RSC 501 (7-83)

Central Bureau
has been finally received...

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The Bureau has been finally received...

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The Bureau has been finally received...

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Entered 3-16-87
Checked *James F. Mohr*
Last updated 8-13-89 VEX
8/16/89
[4798]

Enclosure

C. E. BECK ASSOCIATES, INC.
NO. 32 NATIONAL TRUST BUILDING
P.O. BOX 395
OIL CITY, PENNSYLVANIA 15301-0395

Oil and Gas Leases

December 19, 1989

PHONE: 514-676-3082
FAX: 514-676-5480

Mr. Dan Rolling
The North American Coal Corporation
P.O. Box 535
Powhatan Point, Ohio 43942

Re: The North American Coal Corporation - Oil and Gas Leases
Carless Lease No. OH-34-14001 (Beck Lease No. 589) -
3,633.21 acres - Harrison County, Ohio
Carless Lease No. OH-41-14001 (Beck Lease No. 590) -
11,199.62 acres - Jefferson County, Ohio
North American Coal Property Nos. CL-797 and CL-798

Dear Mr. Rolling:

Having been advised that no response to our letter of 8-3-89 was received by The North American Coal Corporation, we have written again to Kelt Oil and Gas. (See attached copy of letter dated 12-19-89). As you probably know, the two leases were acquired by this organization and assigned to Carless Resources Inc., and were acquired by Kelt when they took over Carless. We have maintained a fine relationship with North American Coal Company and never being "in the middle" of this situation.

In view of the fact that, in the absence of production, (which we believe to be the case), both leases expired January 15, 1989, we suggest that you contact Kelt Oil and Gas directly, writing your request that releases be filed in the appropriate counties. (Our file contains this phone No.: 713-447-1700).

Our best wishes to you for a happy Christmas season.

Very truly yours,

Maurice Beck

M. S. Beck

MSB
enclosures

