

EXPLORING THE ROLE OF MINERAL AND ROYALTY OWNER ASSOCIATIONS IN KANSAS AND OKLAHOMA

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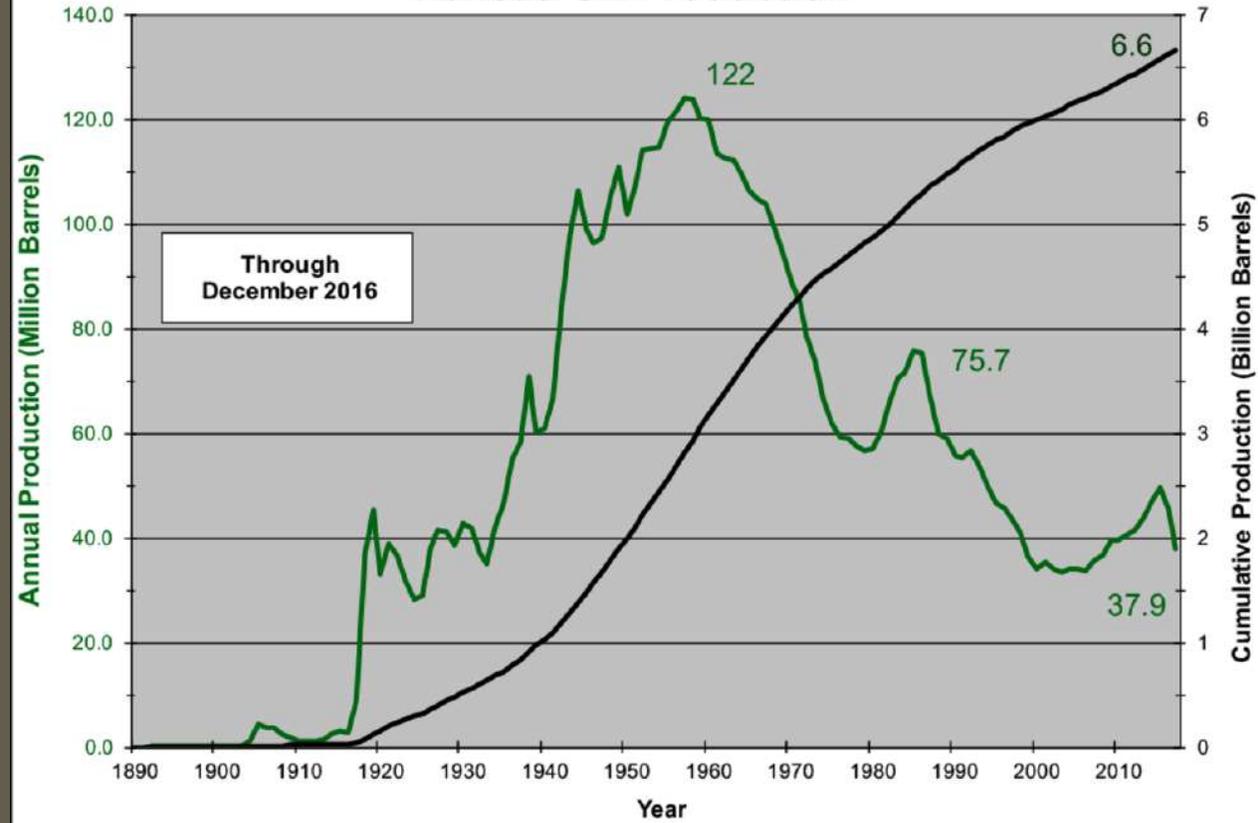
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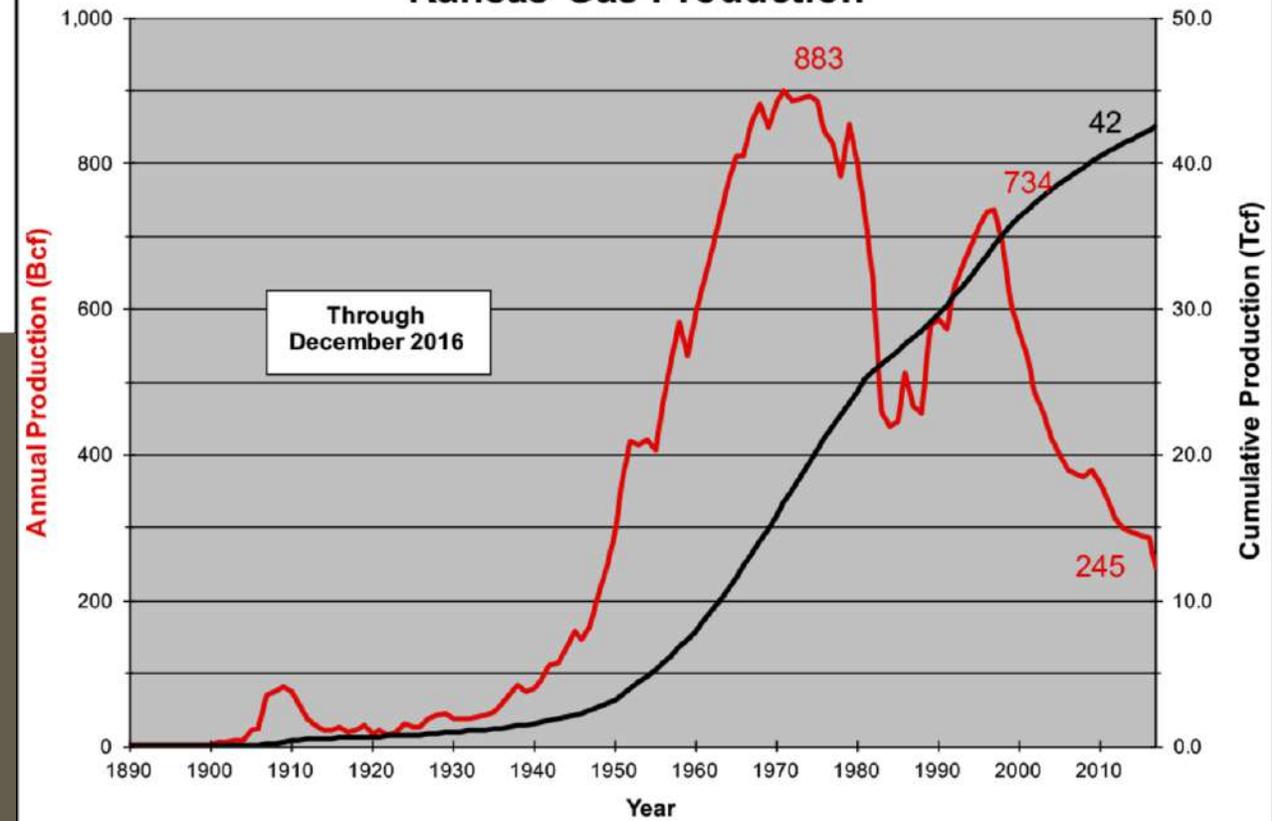


Kansas Oil Production

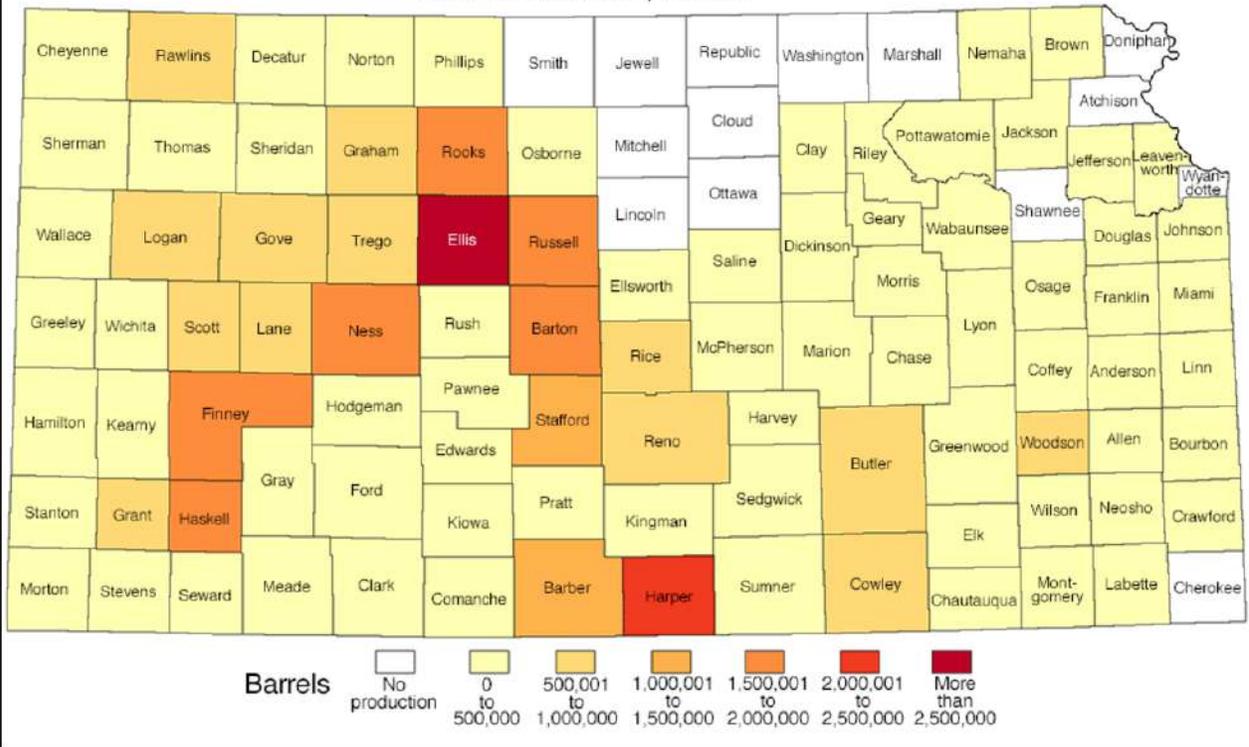


Kansas Geological Survey

Kansas Gas Production



Oil Production, 2016



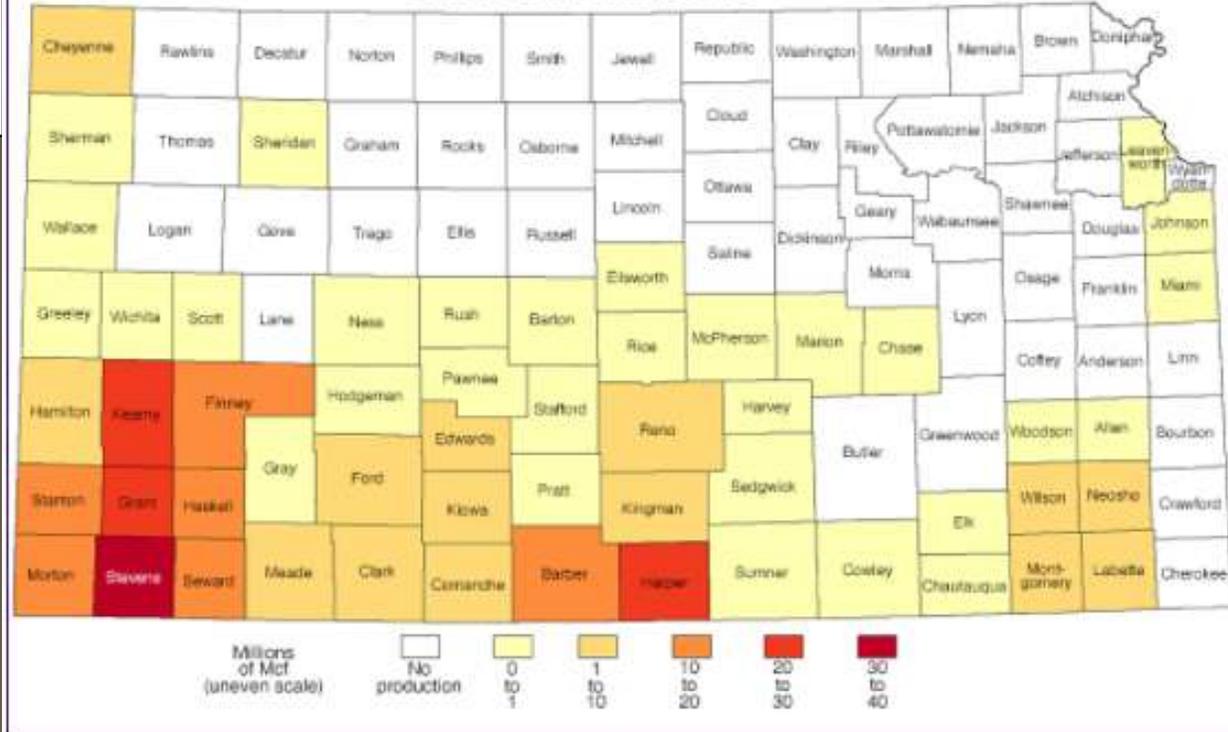
Kansas Geological Survey

Kansas Economy



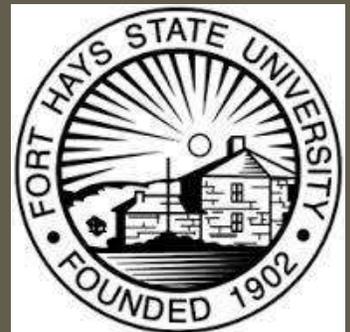
- Farming
- Mining
- Manufacturing
- Government
- Recreation
- Nonspecialized

Gas Production, 2016



LITERATURE

- Rural residents are captive to volatile nature resource-dependent economies.
 - Bell and York 2010; Fernando and Cooley 2016; Malin and DeMaster 2016
- Rural residents are agents capable of promoting their interests against powerful corporate actors.
 - Bugden et al. 2016; Jacquet 2015; Jacquet and Stedman 2011



RESEARCH QUESTIONS

- What benefits do mineral and royalty owners experience by joining mineral and royalty owner associations?
- What strategies do mineral and royalty owner associations use to educate their members and promote their interests?
- What are common problems/sources of conflict that arise in the course of mineral management, and how can mineral and royalty owner associations help?



METHODS

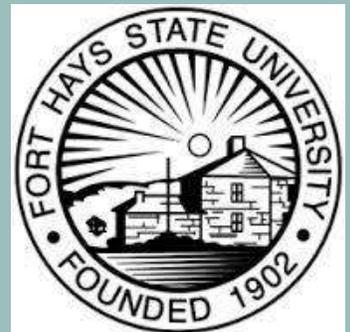
Preliminary Analysis

Focus Groups:

SWKROA
EKROA
PPROA

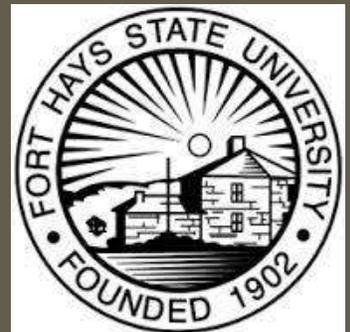
Interviews:

SWKROA
PPROA
TLMA
NARO
NARO-TX
NARO- CO
NARO- ND
KS Strong



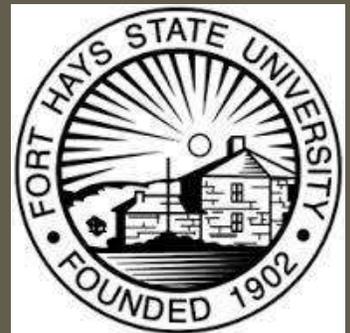
OVERVIEW

- Education
 - Knowing what you own
- Bargaining
 - Policy strategies
- Counter-mobilization
 - Speaking back & litigation



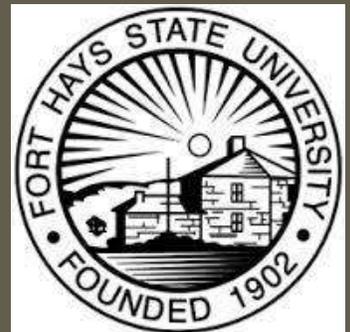
EDUCATION

- **“The majority of the mineral owners, a large percentage of them, really don’t understand their mineral interests.** So there’s a definite need to educate or to provide information to people to help them understand their ownership. Help them understand leasing. Help them understand regulatory issues that come along... And when you educate yourself from the standpoint of your minerals, I think the companies respect you a lot. You’re able to communicate with them as opposed to somebody who’s misinformed or uninformed” (G.P. NAROND).
- **“Let’s start overall, a lot of people they don’t know what question to ask.** And so that’s part of the value of the association is they don’t want to ask stupid question and so they want to have a friendly ear that can listen to their questions. They may not know the terminology to ask about this or that. And so, you just try to listen and wade through what they’re trying to ask” (E.N. SWKROA).



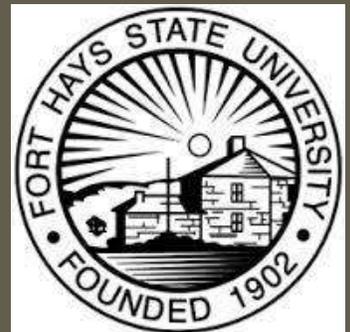
EDUCATION

Educational Topic	Description
Contractual Terms	Negotiating lease terms, termination and renegotiation, title issues, post-production deductions, ownership.
Financial Management	Auditing royalty checks, organizing records (for heirs), family trust or LLC.
Legislation and Litigation	Interpreting and disseminating information regarding current regulatory issues, pending court cases, bankruptcy proceedings.
Networking	Connecting members to professionals, learning going rates.
Technical Procedures	Explaining technological innovations and new recovery methods that can be used to develop resources.



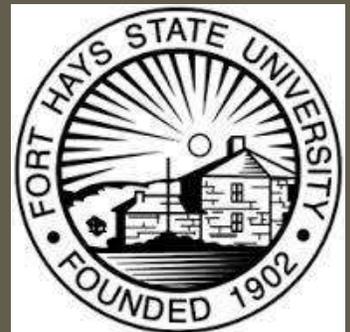
POLITICAL ADVOCACY

Legislative Advocacy	Litigation
Kansas Surface Owner Notification Act	Bankruptcy proceedings.
Forced pooling.	Taxation.
Gas contracts.	Defining property rights (e.g. helium, pore space).
Percentage depletion.	
Crude exports.	
Open federal lands.	
State preemption.	



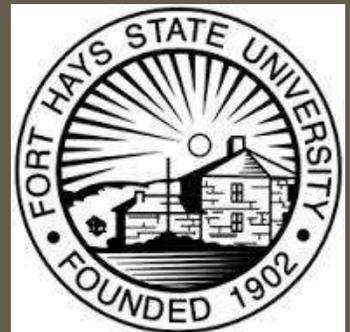
POLITICAL ADVOCACY

- Transparency in Accounting
 - Well, one of the overarching things **is industry's basically self-policing**. And so, you know, the sources that you go to try to find out and verify information is been reported by industry so **there's really not an overarching watchdog that's saying whether the prices are being reported accurately or whatever...** simply put, the oil and gas royalty payment stuff is complex. Being a pessimist, **I think that the industry sometimes likes and enjoys that complexity because it's harder for people to ask questions and figure out**, and so going back to that self-policing. (E.N. SWKROA)
 - “Operators are trying to use electronic deposits. They're also trying to email you your check stubs. Which is fine as long as the royalty owner wants that and wants to receive that. So there was legislation this last session that just reinforced the fact that the first form of payment should be in check form with a paper check stub unless otherwise requested by the royalty owner in written form” (C.B. NARO-TX).



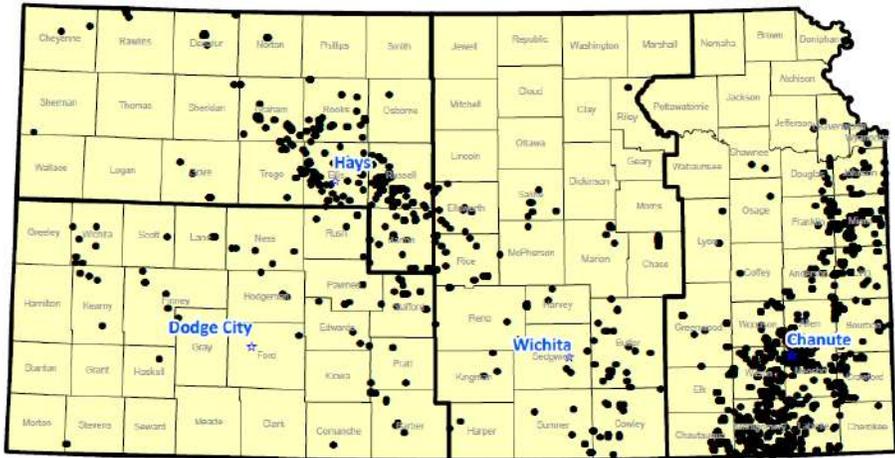
POLITICAL ADVOCACY

- Landowners and Split Estates
 - “The state laws and what the oil companies have practiced is that you lose your rights as a surface owner, and that’s where people get frustrated. **Because they find out that the laws are written to give the mineral owner the right to develop the land.** And the oil companies can go in and they might just have to provide a notice. But they’ll locate it wherever they want, the wellsite. And they’ll pay you whatever they want. And you have to accept that. And so that’s where the surface owners, the hard relationship comes in, it’s because they feel like they have absolutely no say. **They have no right or recourse. They’re just forced to take it**” (G.P. NARO-ND).
- Surface Use Agreement
- Kansas Surface Owner Notification Act (KSONA)



POLITICAL ADVOCACY

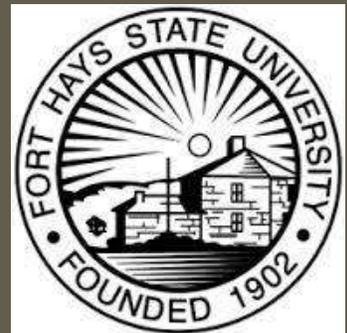
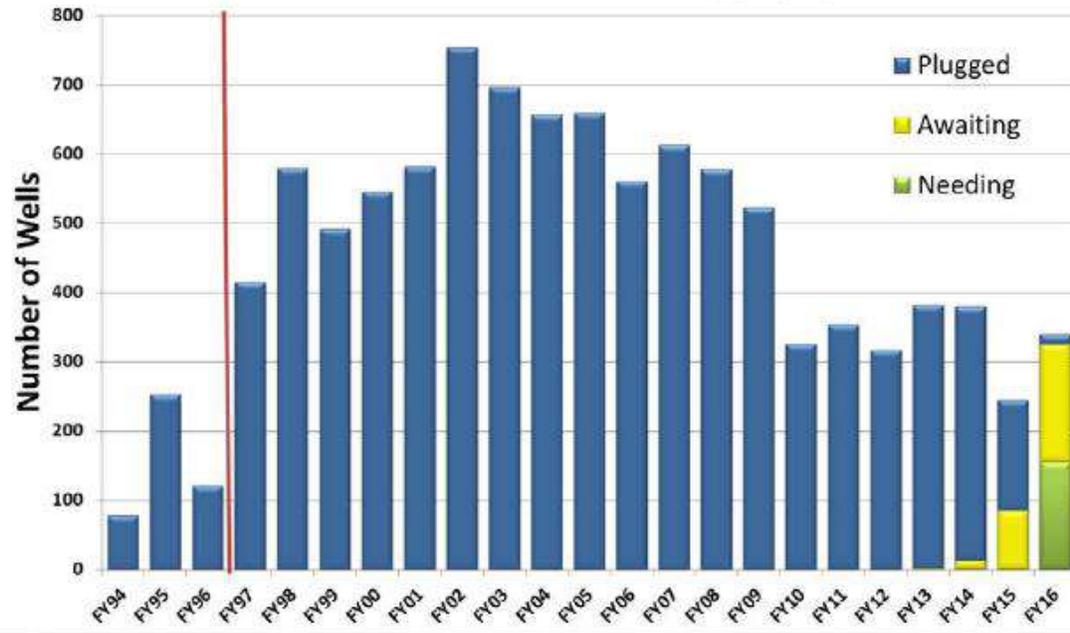
Statewide Distribution of State Funded Abandoned Wells Plugged Since 1996



● Location of an abandoned oil and gas well or group of wells plugged since inception of the plugging program in 1996
 ☆ District Field Offices



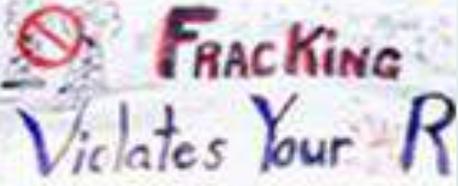
Historic and Current Abandoned Well Plugging Operations

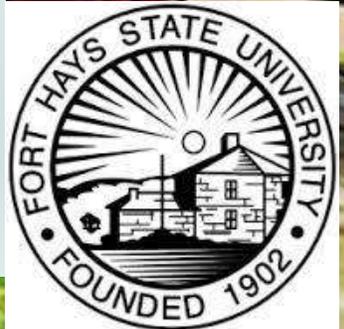


COUNTER-MOBILIZATION

We the People

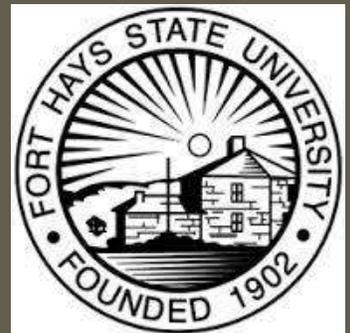
- “Once upon a time we made our decisions based on facts. Now we make it on our feelings. The facts are, you have a right to your minerals underneath that surface. Period. And the Colorado Supreme Court, the U.S. Supreme Court have all affirmed that. And yet, you have lots and lots of people that believe, that drank the cool aid and say, “Fracking pollutes your drinking water and blows your house up.” So they say, “You’re taking our rights and ruining our house and our values.” Which, I mean, they’re just not true. That’s just not- we have this whole nation that’s not in my back yard. Everybody wants electricity, they all want power lines in their backyards, ok? Somebody’s got to have it in their backyard or we all gotta start lighting candles again! I mean it’s not my rules, that’s just the way it works... Our biggest talking point is, you gotta talk to people. If you’re a mineral owner, you can’t shy away from the fact that you’re a mineral owner. I mean, if you don’t believe in fossil fuels, than sell your minerals to someone that does. And if you do, you can’t be silent when these blatant falsehoods come out. You can’t be combative but at the same time you need to come out and state the facts. So we’re constantly educating people about the facts” (C.C., NARO-CO).

 A white sign with a red circle and slash over the word "FRACKING" and the text "Violates Your R".



CONCLUSIONS

- Agency v. Domination
 - A false dichotomy?
 - Do mineral and royalty owner associations both **enable structural agency** and **facilitate cultures of toxic uncertainty** (Auyero and Swistun 2008) by circulating doubt about climate and environmental science?



THANK YOU

- Research supported by RSS Early Career Award
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