

# NEWSLETTER

## The Freehold Owners Association (“FHOA”)

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August 8, 2001

## FHOA - GOING FORWARD INTO 2001

The Freehold Petroleum & Natural Gas Owners Association (“FHOA” or the “Freehold Owners Association”) is a federally-incorporated, not-for-profit, volunteer association organized in late 1999 to:

- provide information and education to individual owners of subsurface oil and gas in Canada (“freehold owners” or “freeholders”);
- publicize freeholders’ concerns and promote fair treatment for all freehold owners; and
- provide a collective voice for freehold owners.

More than 1400 freeholders have

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joined FHOA since inception.

### ANNUAL MEETING

The annual meeting of the Freehold Owners Association was held in Red Deer, Alberta on January 20, 2001.

The meeting was attended by approximately 215 members and guests.

Elected as directors of FHOA for 2001 were the following individuals: Mr. Richard Anderson of Eckville, Alberta; Mrs. Gloria Delisle of Innisfail, Alberta; Mr. Jim Hampton of Grand Forks, British Columbia; Mr. Keith Luft of Cochrane, Alberta; Mrs. Else Pedersen of Ponoka, Alberta; Mr. Richard Riggins of Ottawa, Ontario, Mr. Paul Vasseur of Three Hills, Alberta; and Mr. Keith Wilson of Edmonton, Alberta.

The meeting considered whether the Freehold Owners Association should acquire a land and well production database. Many members have expressed an interest in having access to this type of information so as to improve their bargaining position in lease negotiations and in order to monitor production on and adjacent to their mineral interests. The directors of FHOA proposed to provide interested members with production information from wells on and adjacent to their mineral interests and recent land sale information in their area for a modest fee of \$50 per request. After a discussion of the estimated \$10,000 cost of acquiring and administering the database, a motion was approved authorizing the

directors to proceed with the acquisition after considering possible less costly alternatives.

The meeting also considered and approved a motion authorizing the Freehold Owners Association to seek leave to intervene at the Supreme Court of Canada in the event that an appeal of the decision of the Alberta Court of Appeal respecting the ownership of hydrocarbons produced from a well on split title lands is heard by the Supreme Court.

Oral arguments in the appeal of the trial judge’s decision on this ownership issue were scheduled to be heard by the Alberta Court of Appeal in Calgary on September 13<sup>th</sup> and 14<sup>th</sup>, 2001. In July, the Chief Justice of the Court of Appeal announced that, due to air quality problems in the Court of Appeal building in Calgary, all Calgary appeals scheduled after September 1, 2001 would be heard in Edmonton. Although this may result in significant delays for some appeals, the Court has now reviewed and prioritized all pending appeals and recently advised involved legal counsel that the appeal of the trial decision on the ownership issue can be accommodated as scheduled in Edmonton.

If you are one of the approximately 20% of Alberta freeholders who own split title natural gas (ie. all mines and minerals except coal and petroleum), or one of the many thousands of owners of split title natural gas in the other prairie provinces, your property rights will be impacted by the ownership aspects of this appeal.

If you are a typical freehold owner who cannot afford to engage in costly oil and gas litigation on any other basis than under contingency fee agreements, your legal rights may be impacted by the costs aspects of this appeal.

The minutes of *FHOA*'s annual meeting are available to members on request.

## ***FHOA* SEMINARS**

Many members provided comments respecting the Association's future direction in their 2001 membership renewals. Other constructive suggestions were voiced at *FHOA*'s annual meeting. One of the more common suggestions from those members living in Alberta was for *FHOA* to hold seminars throughout the Province dealing with issues of concern to freeholders.

In response to these suggestions, the Freehold Owners Association's first information seminar was held in Ponoka on June 7, 2001. This seminar, which was organized by Mrs. Else Pedersen, director, was attended by approximately 145 freehold owners. Mr. Keith Wilson, a lawyer who specializes in surface and subsurface issues and who is also a director of *FHOA*, spoke on how you can negotiate a fair lease agreement and what you can do to

protect yourself under an existing lease agreement. In addition to Mrs. Pedersen and Mr. Wilson, another director of *FHOA*, Mr. Paul Vasseur, sat at the head table and, together with officials of the Office of the Farmers' Advocate, was available to answer questions following the seminar. One of the freeholders who attended the seminar stated that she had learned more in three hours than she had in twenty years.

The Freehold Owners Association is currently planning further seminars to be held in other areas of Alberta after the fall harvest. The time and location of these seminars will be posted on *FHOA*'s web site and will be advertised in the local media.

If you would like a seminar to be held in your area of Alberta, feel free to contact our offices. Please bear in mind that the Freehold Owners Association is a volunteer organization and that we will need help from you and others in your community to successfully organize a seminar in your area.

## **WEB SITE**

Seminars and workshops are probably the best way to inform and educate freehold owners. But seminars in Alberta are of little use to the 15% of *FHOA* members who live outside Alberta. Furthermore, it is all too easy to forget what one learns at a seminar.

*FHOA*'s web site ([fhoa.ca](http://fhoa.ca)) has been designed primarily as a reference site for freehold owners. The Association recognizes that some freeholders will have no desire to understand the issues in the depth presented. It is *FHOA*'s hope that by making as much information as reasonably

possible available, individual freehold owners will become more aware of the complexities associated with protecting their property interests and will be able to make more informed choices as to whether or not to retain competent professional assistance.

It has taken considerably longer than anticipated to build this site, and it remains a 'work in progress'. Many of you have sought information on royalty trusts and on appropriate methods of passing mineral interests from one generation to the next. It is *FHOA*'s intention to add sections on these and other issues as time permits. If you have comments or suggestions for changes to the web site, please contact our offices.

## **E-MAIL ADDRESSES**

*FHOA* has sent e-mails advising of the uploading of our web site to the approximately 25% of our members for whom we have e-mail addresses. If you do not receive an e-mail, you may assume that we don't have your correct e-mail address. As e-mail correspondence represents a considerable cost saving for the Association, please advise us if you have a new e-mail address.

## **TECH. REQUESTS**

The Freehold Owners Association expects to have a technical data base in place by mid-August to fill existing and future requests from members for technical information associated with their mineral interests.

On behalf of the board of directors

Richard B. Riggins,  
President