

TABLE OF CONTENTS

EXECUTIVE SUMMARY	1
BACKGROUND	3
INDIVIDUAL OWNERSHIP OF MINERAL RIGHTS IN ALBERTA	3
THE CONTRACTUAL BASIS FOR OIL AND GAS EXPLORATION AND DEVELOPMENT	4
THE PLIGHT OF INDIVIDUAL FREEHOLDERS	5
Unfair Freehold Royalties	5
Continuation of Freehold Leases for Speculative Purposes by Energy Companies	6
Lack of Deep Rights Reversion in Freehold Leases	6
Lack of Protection from Drainage	6
Split Title Mineral Rights – Petroleum v. Natural Gas	7
Lack of Effective Recourse	8
THE FREEHOLD OWNERS ASSOCIATION (FHOA)	9
OBJECTIVES, GOVERNANCE, OPERATION AND MEMBERSHIP	9
WHAT FHOA HAS DONE FOR FREEHOLDERS	10
Information and Education	10
Research and a Common Voice for Freeholders	10
WHAT FHOA NEEDS TO DO GOING FORWARD	11
Enhanced Information and Education	11
Research, Policy Development and a Common Voice	12
A 'Freeholder-Friendly Lease Form	12
Coal Bed Methane Issue	12
Estate Planning	14
Royalty Reporting	15
Communications	15
Common Voice	15
FHOA'S CHALLENGE GOING FORWARD	16
APPLICATION OF PROPOSED FUNDING	17
WHY THE ALBERTA GOVERNMENT SHOULD SUPPORT FHOA	17
Business Considerations	18
The Role of Government	20
Fundamental Fairness Considerations	20
ATTACHMENT ONE – FHOA DIRECTORS	21