

EXHIBIT A

Outline of Proposed Legislation for Licensing Petroleum Landmen

1. There are approximately 10,000 petroleum landmen working in Texas. These landmen perform the following tasks ("Landwork"):
 - a. Negotiating with property owners for the acquisition or divestiture of mineral rights.
 - b. Negotiating business arrangements for exploring for and developing minerals, including surface use agreements, damage settlements and rights-of-way related thereto.
 - c. Determining ownership in minerals through the research of public and private records.
 - d. Reviewing the status of title to minerals and curing title defects related to mineral titles.
 - e. Managing rights or obligations derived from ownership of minerals.
 - f. Unitizing or pooling mineral interests.

Under current Texas law there is no requirement that persons performing Landwork obtain a license or register with the State of Texas.

The American Association of Professional Landmen (AAPL) is a national association with approximately 11,000 members, based in Fort Worth, Texas. Some 5,500 of AAPL's members reside in Texas and many others reside outside of but perform Landwork in Texas or with respect to minerals located in Texas. AAPL's mission statement is to promote the highest standards of performance for all land professionals, to advance their stature, and to encourage sound stewardship of energy and mineral resources. The AAPL has entry requirements, as well as a certification program requiring a college degree, minimum levels of experience, competency testing and continuing education. AAPL also has a code of ethics, standards of practice and a structure for enforcement. AAPL has an educational program that operates dozens of seminars a year throughout Texas and other oil states, including instruction in ethical business practices.

AAPL has specific policies and procedures in place to address complaints of unethical or improper behavior by its members. However, the majority of complaints that are registered with AAPL are complaints against non-AAPL members, over whom AAPL has no jurisdiction. Further, since there is no statutory basis to require membership, certification, training or regulation of the profession in any way, members who have been disciplined by AAPL may continue to practice Landwork outside the scope of any authority. Therefore, for the protection of the public, licensing is needed.

2. Who and what services are covered?

In the act, a Landman performing Landwork will be defined as either a Registered Landman ("RL"), a Registered Professional Landman ("RPL") or a Certified Professional Landman ("CPL"), all being designations offered by the AAPL. A licensed Landman will have a four year college degree from a regionally accredited college or university (subject to the "grandfathering" provision contained in no. 3 below).

3. Who will regulate the industry?

Appointed by the Governor, the Board will be made up of six Certified (and licensed) Professional Landmen and two public members. They will serve 4 year staggered terms. The Board will issue licenses to applicants who have met the licensing requirements administered by AAPL.

4. What will be required to obtain and maintain a license?

The licensing application requirements will be the same as the application requirements for Active Membership in AAPL, and the process will be administered by AAPL subject to approval by the Board except that all applicants must have a college degree as provided in no. 1 above; however, there will be a "grandfathering" provision waiving, for one year after enactment, the degree requirement for those who can demonstrate that they were engaged in the Public Practice of Landwork (as defined in no. 7 below) at the time of enactment. Continuing education – including instruction in ethics – will be required of the licensee to conform to AAPL's continuing education requirements for RLs, RPLs or CPLs, as the licensee's case may be. Once granted, the license shall be for the life of the licensed Landman so long as the licensed Landman pays the annual renewal fee, maintains at least the minimum levels of required continuing education, adheres to the code of ethics and standards of practice, and whose license has not been denied, revoked or suspended.

5. When can the Board take disciplinary action?

The grounds for disciplinary action are:

- a. the use of fraud or deceit to obtain a license;
- b. incompetence, misconduct, fraud, gross negligence or repeated acts of negligence in performing Landwork as determined by the AAPL's Ethics Committee;
- c. conviction of a felony or a crime having fraud among its primary elements; and
- d. violation of the licensing act or rules.

6. What are the disciplinary actions?

The Board may refuse to issue or renew a license, may revoke a license, may suspend a license, may grant a license or renewal with conditions, may reprimand a licensee or may order a licensee to undergo peer review and/or additional training and/or restitution.

7. What is the disciplinary process?

The Board may not suspend or revoke a license prior to a hearing. The Board may pass rules to implement all portions of the act evidencing administrative penalties. The appeal, if any, is to the District Court subject to the substantial evidence rule.

8. To whom does the licensing requirement apply?

A license shall be required for the Public Practice of Landwork (when the practice is done for members of the public or industry or when engaging members of the public or industry). A license shall be required for any individual engaging in the practice of Landwork dealing with property (including mineral and royalty interests) located in Texas. Non-residents of Texas may engage in the practice of Landwork dealing with property located in Texas if they are licensed in Texas or if they are similarly licensed in another state which has a reciprocity agreement with Texas.

9. Residents of Texas and non-residents are eligible to be licensed under this act, so long as they otherwise qualify.

10. Attorneys licensed in Texas are exempt from this act and attorneys from other states are exempt if the state in which they are licensed has a reciprocity agreement with Texas.

11. A licensed Landman performing Landwork, unless he holds himself out to be an attorney, shall not be considered to be practicing law nor shall he be required to register with the Texas Real Estate Commission as an easement or right-of-way agent.