

PLANO
2013 Executive Night
Seminar



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Ethics: The Oil & Gas Industry at the Movies

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The Award for Best Oil Movie Ever Goes To Forbes Magazine Article

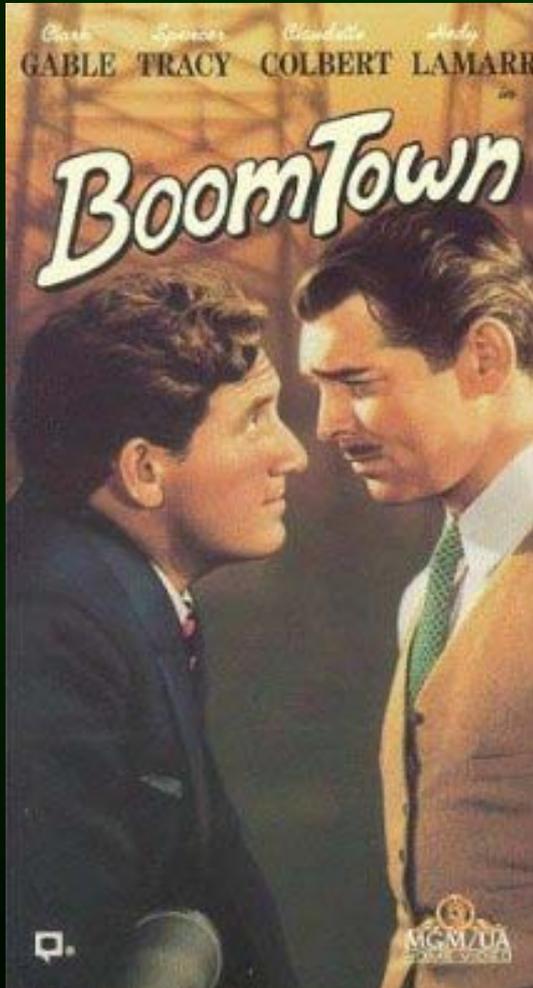
- Picking on the oil industry isn't new in Hollywood. Whether the criticism is fair or not doesn't matter: oil makes for good drama.
- There's not many other industries that can turn a roughneck into a millionaire over night.

- In the movie, "There Will Be Blood" — featuring Daniel Day-Lewis as psychopathic wildcatter Daniel Plainview, who hits it big in California's Kern County oilfields, adopts the orphan of a man killed on one of his rigs, kills another couple guys himself with a hammer and a bowling pin, and revels in pumping out oil from under his rival's land.
- There's the 2005 George Clooney/Matt Damon thriller "Syriana." Damon's character leverages the accidental death of his son at an oil honcho pool party into a consulting gig with the heir to a progressive Middle Eastern emirate. (More from Matt Damon in Promised Land.)
- "Hellfighters," from 1968, featured John Wayne playing a character based on oil well fire wrangler Red Adair.

- "Giant" portrays the saga of James Dean's character Jett Rink rising from ranch hand to oil tycoon to drunken shell. It has to be the oil movie against which all oil movies will ever be judged.
- There are a handful of oldies: "The Stars Fell on Henrietta," "Tulsa," and "Boom Town," the latter featuring Spencer Tracy, Clark Gable and Claudette Colbert.
- These movies glorified entrepreneurial spirit and risk taking business people. Something today's Hollywood would never do.
- Evidence of the current trend in movies of the oil and gas industry.....

Boom Town

1940

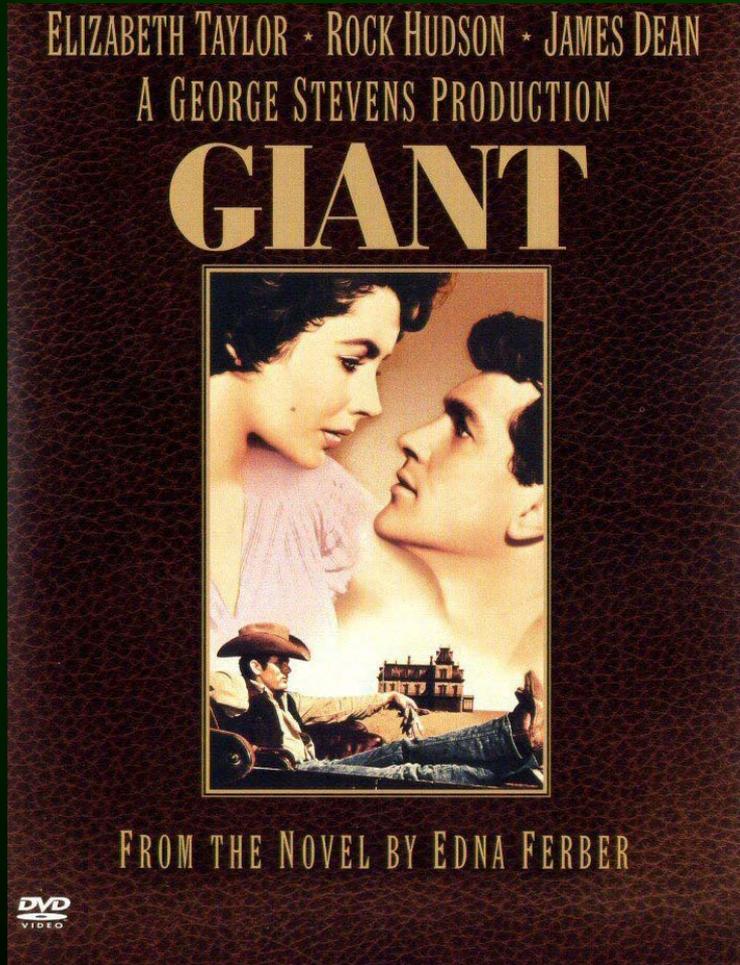


Movie Trailer

Clark Gable is "Big John" and Spencer Tracy is "Square John"; both "Johns" seek their fortunes in the Texas oil fields. They simultaneously fall in love with Claudette Colbert, but it's "Big John" who wins out. When both Johns grow rich on oil, "Big John" lets money go to his head, and he begins neglecting wife Colbert for Hedy Lamarr, the "been around" companion of businessman Lionel Atwill. "Square John", who still carries a torch for Colbert but doesn't want to see her heart broken, tries to buy off Lamarr; when this fails, he decides to ruin "Big John" financially. But when "Big John" is charged with violating anti-trust rules by the crooked Atwill, "Square John" rushes to the side of his old pal. Both men end up where they started--broke but happy. "Big John" returns to faithful Colbert, while "Square John" stands by with an ear-to-ear grin.

Giant

1956



Movie Trailer

Texan rancher Bick Benedict visits a Maryland farm to buy a prize horse. Whilst there he meets and falls in love with the owner's daughter Leslie, they are married immediately and return to his ranch. The story of their family and its rivalry with cowboy and (later oil tycoon) Jett Rink unfolds across two generations.

Hellfighters

1968

Movie Trailer



Chance Buckman (John Wayne) heads a team of international trouble shooters who travel around the world to put out oil fires. The dangerous profession has taken a toll on the marriage between Chance and Madelyn (Vera Miles), who leaves when she can no longer endure the stress of saying goodbye and fearing she will never see him again. With his faithful assistant Greg (Jim Hutton), the team is ready at a moments notice to race anywhere to extinguish the flames of oil fires raging out of control. Greg eventually falls for Chance's daughter, Tish (Katherine Ross), who shares her mother's concern over the dangers the men endure. Hellfighters received technical advising from famed oil-well fighter Red Adair and his assistants who provided excellent and credible information for the film and the pyrotechnic team headed by legendary special-effects expert Fred Knoth.

The Stars Fell on Henrietta

1995

Movie Trailer

ARCHIVE  COLLECTION

ROBERT DUVAL · AIDAN QUINN · FRANCES FISHER · BRIAN DENNEHY

The Stars fell on Henrietta

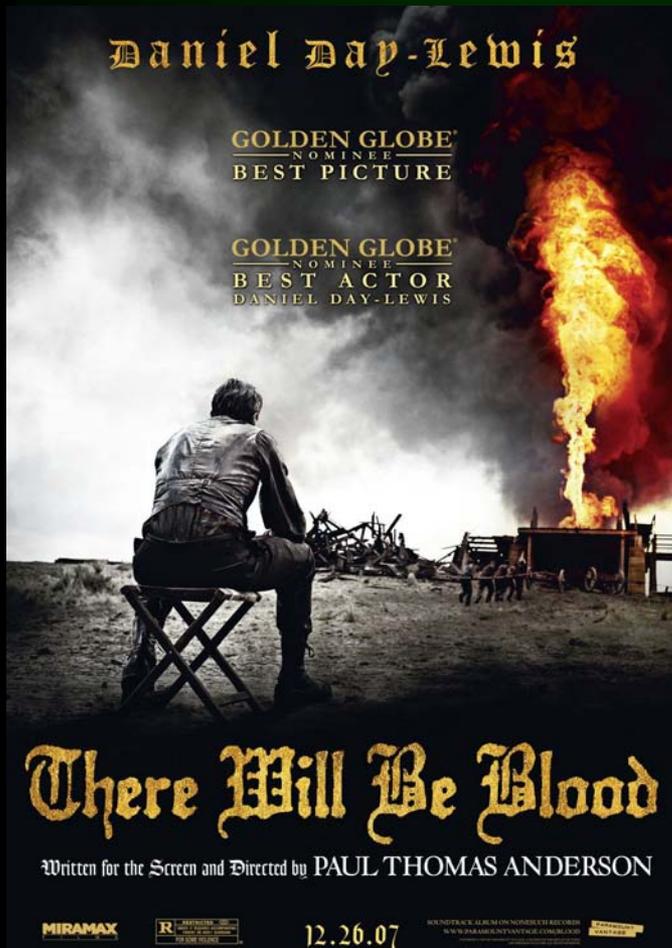


This character drama follows the exploits of an aged oil seeker, known only as Mr. Cox, as he roams across Texas in search of black gold. He has a special gift for it and has helped many wildcatters strike it rich. Unfortunately, he has yet to find his own gusher. In 1935, Cox has only a suitcase and a cat to his name. During a tremendous windstorm, he is forced to seek shelter in a farmhouse, owned by Don and Cora Day. The Days have three daughters and must scramble to eke out a meager existence on their dusty farm, located near the town of Henrietta. While there, Mr. Cox begins getting that old feeling that tells him that there is a lot of oil on the Day's farm. They think he is plumb loco and ask him to leave, but Cox wants to find out if it is true. He goes to an old friend, Big Dave, who thanks to Cox, has become an oil tycoon, to help him do some test drilling, but Big Dave has a short memory and brushes Cox off as a "hopeless loser." The determined Cox then devises a scheme to force Big Dave to provide him with financial backing

There Will Be Blood

2007

Movie Trailer



It focuses its attentions on Daniel Plainview (Daniel Day-Lewis), a miner who happens upon black gold during a disastrous excavation that ends in a broken leg. Pulling himself up from the bowels of the earth, both literally and metaphorically, Plainview embarks on a systematic and steadfast approach to mastering the oil business. Using plain-spoken and straightforward language, Plainview launches a campaign to convince small-town property owners they should let him drill their land. Without him, they won't have the equipment to access the profit beneath their feet. He builds an empire this way -- and gradually becomes obsessed with the intrinsic value of power, growing increasingly irascible and paranoid in the process. Plainview meets his match in Eli Sunday (Paul Dano), a teenage preacher in the small California town of Little Boston, whose brother tipped Plainview off to the town's plentiful supply of untapped oil. To fully reap the benefits of the land, Plainview must suffer the opposing whims of this "prophet," whose legitimacy is questionable at best.

NOTABLE QUOTES FROM *“THERE WILL BE BLOOD”*

Scene 1 - Going to the People:

Daniel Plainview was an oil man – He asked the people of Isabella County to drill their lots. All the rest will be speculators to men trying to get between you (the “landowner”) and the oilman to get some money that ought by rights come to you.

Scene 2 – Insider Information (The Squealing Brother)

Plainview: [*Paul Sunday has offered to sell Plainview information*] Well, why'd you come to me?

Plainview: I'll tell you what I'll do, son- I'll give you a hundred dollars now, and if it proves to be a promising lease, then I'll give you a thousand dollar bonus.

Paul Sunday: Six hundred dollars.

Plainview: Just tell me one thing to help me decide- what else have you got up there, what do you grow?

Scene 3 – Honest Bargaining??

Plainview: Those areas have been drilled

Eli Sunday: What?

Plainview: Those areas have been drilled.

Eli Sunday: ...no they haven't...

Plainview: Its called drainage. I own everything
around it ... so I get everything underneath it.

Plainview: Drainage! Drainage, Eli Drained dry,
you boy! If you have a milkshake and I have a
milkshake and I have a straw and my straw
reaches across the room and starts to drink your
milkshake. I drink your milkshake! I drink it up!

Scene 4 – Walking Out

Prescott: [*Plainview has just stormed out of a town meeting*]

Mr. Plainview? No! Mr. Plainview, where are you going?

Plainview: I don't need the lease, thank you.

Prescott: We need you, we need you to ...

Plainview: Too much confusion! Thank you for your time.

Prescott: No, no, no! There's no confusion! If you just...

Plainview: [*stops in his tracks, stares down Prescott*] I wouldn't take the lease if you gave it to me as a gift.

Scene 5 – Landman and Boss

Plainview: What's this? Why don't I own this? Why don't I own this?

Al Rose: That's the Bandy tract. He was the holdout, when we were doing the buying? He had hoped to speak with you... Can't you just build the pipeline around this tract?

Plainview: Can I build around fifty miles of Tehachapi mountains? Don't be thick in front of me, Al.

Al Rose: I can go to him again...

Plainview: No, I'll go and talk to the man. I'll talk to him, show you how its done.

Scene 6 – Now I want [NEED] your land

William Bandy: I'm Bandy.

Plainview: Uh, yes. Yes. Uh, William Bandy. I'd like to lease your land

William Bandy: I had asked for you to come and talk to me before. When you were leasing land.

Plainview: That's right, yes. My boy's been very sick.

William Bandy: This was before you boy got sick. Now I know that you would like to build a pipeline through my property. Is that right, what I've heard?

Plainview: That's absolutely right. Its an eight-inch pipe. I can be buried with your consent. I guarantee you absolutely no disruption...

William Bandy: God, God has told me what you must do

Plainview: And what is that?

William Bandy: You should be washed in the Blood of Jesus Christ.

Plainview: Oh, but I am. I have been washed, Mr. Bandy, I have been.

William Bandy: It's your only way to salvation, and your only way for what you want. You can take it at the Church of the Third Revelation.

Plainview: I'll pay you three thousand dollars.

William Bandy: I'd like you to be part of our church.

Plainview: I'll pay you five thousand dollars.

William Bandy: Be baptized be forgiven for the sin that you've done.

The Big Fix 2011



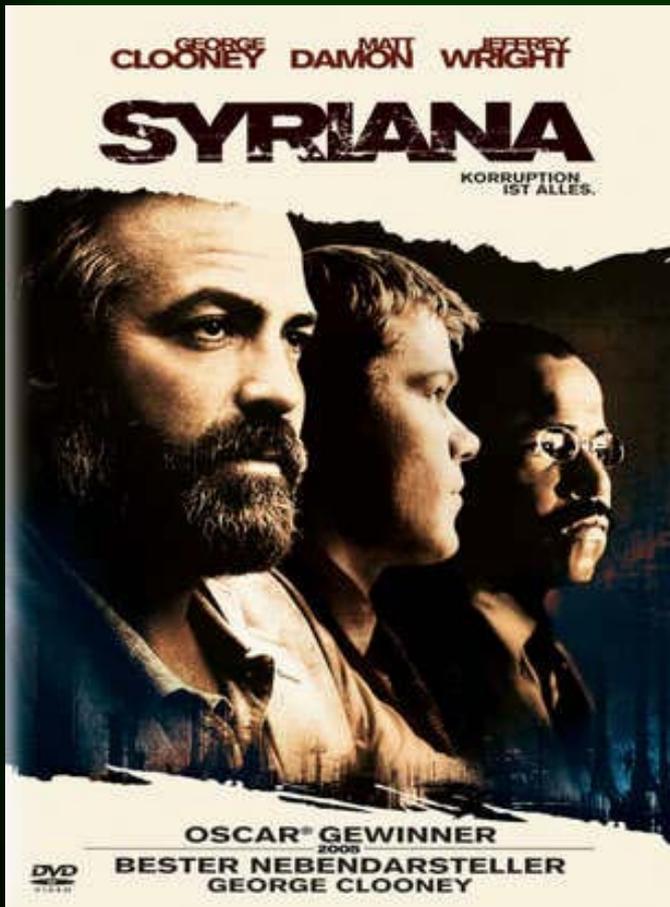
Movie Trailer

On April 22, 2010 the Deepwater Horizon offshore drilling rig run by BP sunk into the Gulf of Mexico creating the worst oil spill in history. Until the oil well was killed on September 19, 779,037,744 liters of crude oil and over 7,000,000 liters of chemical dispersant spread into the sea. By exposing the root causes of the spill filmmakers Josh and Rebecca Tickell uncover a vast network of corruption. The Big Fix is a damning indictment of a system of government led by a powerful and secretive oligarchy that puts the pursuit of profit over all other human and environmental needs.

Syriana

2010

Movie Trailer



Reform-minded Gulf country prince Nasir (Alexander Siddig) is in favor of making his nation more self-sufficient rather than U.S.-reliant, and his money-minded Western connections couldn't be less pleased. Before settling into a cushy desk job for the remainder of his career, CIA agent Bob Barnes (George Clooney) is sent on one last assignment -- to assassinate Prince Nasir and reinstate U.S. ties in the oil-rich region. Up-and-coming Washington attorney Bennett Holiday (Jeffrey Wright) attempts to walk a fine line in overseeing a tenuous merger between two oil giants that's plagued with shady business dealings. Bennet's boss Dean Whiting attempts to undermine Prince Nasir's attempts to make his country less reliant on the U.S. dollar by planting the seeds of dissonance between the progressive prince and his money-minded younger brother Prince Meshal (Akbar Kurtha).

Dirty Energy 2012

Movie Trailer

DIRTY ENERGY

a first-hand account of America's worst environmental disaster.

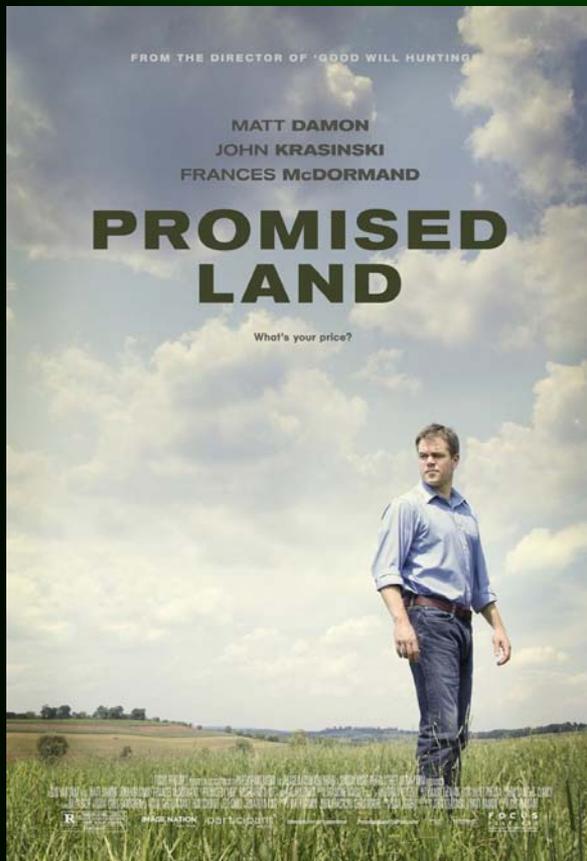


On April 20th, 2010, the Deepwater Horizon drilling rig exploded off the Gulf of Mexico taking the lives of 11 workers and sank as millions of barrels of oil poured into the ocean creating one of the worst environmental disasters in history. The fate of the Gulf is still largely unknown. Dirty Energy tells the personal story of those directly affected by the spill and how they are still struggling to rebuild their lives amidst the economic devastation and long-term health risks.

FLOOD FILMS AND TVS STUDIOS PRESENT A BRIAN D. HOPKINS FILM "DIRTY ENERGY"
CAMERA: NICK FERGUSON EDITOR: LANCE CHEUNG PRODUCED BY STEVE SHULTES DIRECTOR OF PHOTOGRAPHY: JASON DAVID FENUP EXECUTIVE PRODUCERS: BRIAN D. HOPKINS NICK FERGUSON
PRODUCTION DESIGNER: NICK GHERSI EXECUTIVE PRODUCERS: BRIAN O'KEEFE PRODUCED BY EDWARD STENCEL WRITTEN AND DIRECTED BY BRIAN D. HOPKINS
www.dirtyenergymovie.com

Promised Land

2012



Movie Trailer

Matt Damon plays Steve Butler, an ace corporate salesman who is sent along with his partner, Sue Thomason (Frances McDormand), to close a key rural town in his company's expansion plans. With the town having been hit hard by the economic decline of recent years, the two outsiders see the local citizens as likely to accept their company's offer, for drilling rights to their properties, as much-needed relief. What seems like an easy job for the duo becomes complicated by the objection of a respected schoolteacher (Hal Holbrook) with support from a grassroots campaign led by another man (John Krasinski), as well as the interest of a local woman (Rosemarie DeWitt). Promised Land explores America at the crossroads where big business and the strength of small-town community converge.

Regulation of Professionals

- (1) The Model Rules for Professional Conduct for the Lawyers; and
- (2) The AAPL Code of Ethics and Standards of Practice

Regulation of Professionals

The term “profession” has been used to “describe occupations that require new entrants to take an oath professing their dedication to the ideals and practices associated with a learned calling.”[\[1\]](#)

- Professional - Someone called to do essential public service that can only be done by a person with specialized knowledge.

[\[1\]](#) Deborah L. Rhode, Professional Responsibility: Ethics by the Pervasive Method. 39 (1994).

Regulation of Professionals (continued)

- **Learned Art** - An Art/Science that requires both learned knowledge and prudential wisdom.
- **Common Calling** - A vocation requiring dedication to certain ideals as a way of life as part of a specialized group.
- **Public Service** - The performance of certain functions necessary to the general welfare or common good.

Regulation of Professionals (continued)

Perception that there has been a lack of professionalism exhibited by lawyers and landmen.

Regulation of Professionals (continued)



Regulation of Professionals (continued)

What Kind of man are you?

Atticus Finch: Do you know what compromise is?

Scout: Bending the law?

Atticus Finch: [slightly bemused] Uh. No. It's an agreement reached by mutual consent. Now, here's the way it works. You concede the necessity of going to school, we'll keep right on readin' the same every night, just as we always have. Is that a bargain?

Regulation of Professionals (continued)

AAPL Update - Article by Gregory Jessup

“Hey Dad what do you do for a living?”

Regulation of Professionals (continued)

The American Association of Professional Landmen has provided the following definition for the professional landman/land professional, which is in the context of performance of specialized functions:

“Landwork” shall mean the actual performance or supervision of any one or more of the following functions:

A. Negotiating for the acquisition or divestiture of mineral rights.

B. Negotiating business agreements that provide for the exploration for and/or development of minerals.

Regulation of Professionals (continued)

C. Determining ownership in minerals through the research of public and private records.

D. Reviewing the status of title, curing title defects, and otherwise reducing title risk associated with ownership in minerals.

E. Managing rights and/or obligations derived from ownership of interests in minerals.

F. Unitizing or pooling of interests in minerals.

Regulation of Professionals (continued)

“Land Professional” shall mean a person who derives a significant portion of his income as a result of performing Landwork.

“Landman” shall mean a Land Professional who has been primarily engaged in negotiating for the acquisition or divestiture of mineral rights and/or negotiating business agreements that provide for the exploration for and/or development of minerals.

Regulation of Professionals

Lawyers:

(i) Model Rules of Professional Conduct.

(a) House of Delegates of the American Bar Association ("ABA") adopted Model Rules on August 2, 1983.

Regulation of Professionals (continued)

Land Professionals:

(i) Bylaws of American Association of Professional Landmen ("AAPL"), adopted June 16, 1978, amended June 11, 1999. Article V. Section 3.A.4 Applicant must execute such documentation as AAPL may require applicant's willingness to be bound by and abide within the AAPL Code of Ethics and Standards of Practice.

(ii) AAPL Code of Ethics.

(Article XVI of Bylaws)

(iii) AAPL Standards of Practice

Standards of Practice

The Bylaws of the American Association of Professional Landmen (AAPL) provide that a Code of Ethics has been established “to inspire and maintain a high standard of professional conduct” for the members of the Association. The Code of Ethics is the basis of conduct, business principles.

A. Fair and honest dealing with landowners, industry associates and the general public so as to preserve the integrity of the profession (Article XVI, Section 1);

Standards of Practice (continued)

B. Adherence to a high standard of conduct in fulfilling his fiduciary duties to a principal (Article XVI, Section 2);

C. Avoiding business activity, which may conflict with the interest of his employer or client or result in the unauthorized disclosure or misuse of confidential information (Article XVI, Section 2);

D. Performance of professional services in a competent manner (Article XVI, Section 2);

Standards of Practice (continued)

E. Adherence to any provisions of the Bylaws, Code of Ethics, or any rule, regulation, or order adopted pursuant thereto (Article V, Section 9);

F. Avoiding the aiding or abetting of any unauthorized use of the title “Certified Professional Landman”, “Registered Land Professional”, “P Land”, or “CPL/ESA” (Article V, Section 9); and

G. Avoiding any act or conduct, which causes disrespect for or lack of confidence in the member to act professionally as a land professional (Article V, Section 9).

Continuing Education (continued)

WE LEARN IT BY EXAMPLE THAT WE TAKE THE HOLISTIC APPROACH AND MAKE A PART OF THE LIFESTYLE.

IT JUST MAKES COMMON SENSE.

Continuing Education (continued)

THE FAMOUS FRENCH WRITER AND PHILOSOPHER NOTED:
“COMMON SENSE IS NOT SO COMMON”



Continuing Education (continued)

Our reputation keeps us in business.

The Land work and legal work associated with the energy field is within a very small community.

“Nice guys finish last”

Being nice, courteous, polite and respectful does pay. I am not suggesting that you don't hold firm in negotiations.

Continuing Education (continued)

Perception of a Landman from the negotiation and consummation of the deal.

There are many times ethical dilemmas which often you do not consciously think about. But it is a gut check. A first reaction

Do the right thing

Do unto others as you would have them do unto you.

Continuing Education (continued)

“Landmen determine who owns the land and its component part, surface and minerals, without us, the search for energy would go nowhere. Frequently, companies hire attorneys to do our job but they really aren’t as qualified as we are, if we are trained, experienced and competent.”

Continuing Education (continued)

“Negotiator and facilitator of oil and gas deals”

“The Landman is the heart and soul of the oil and gas industry. The heart by getting the deal started and always keeping the deal going, and the soul for keeping it honest.”

Definitions (continued)

Landman:

Code of Ethics - established to inspire and maintain high standard of professional conduct - the standard of professional conduct and the guiding principles and ideals are mandates. The standards impose obligations beyond those of ordinary trading - grave social responsibility and a duty to which the land professional should dedicate himself .

As industry professionals, we have a responsibility to make sure that the press sees both sides of a story:

Example: Was Anderson Cooper expressing a bias while reporting on the BP oil spill? According to many studies, the answer was “YES”

Communication professionals identified a new culprit: the media.



In particular, the report accuses Anderson Cooper of intentionally locating people who were upset with the government's response to the disaster:

“Journalists encouraged state and local officials and residents to display their anger at the federal response, and offered coverage when they did.”

Dale Jacquette, Journalistic Ethics: Moral Responsibility in the Media. 2006

What WE Can Do To Set the Record Straight

Differentiate between opinion and advocacy from
factual reporting

Avoid worst case scenario focus

Avoid the sensational aspects of the story

Most importantly, deliver accurate information!!

What WE as Professionals Can Do to Better Inform the Public

Stress education

Become informed

Question information not backed up by facts

Understand the psychological issues that disasters
magnify in effected people

**Realize that our world is made up of
many competing interests:**

The Public

Governmental Agencies – Local, State and Federal

Legislative Bodies

For example:

Compare the overwhelming amount of negative press surrounding the BP/Macondo spew and the aftermath of Hurricane Katrina on the Gulf.

HURRICANES KATRINA & RITA: 100-YEAR STORMS



- **97% of 4,000 platforms survived**
- **No deaths or injuries to 30,000 offshore workers**
- **No significant spills from any offshore facility**

NO SHORELINE OR WILDLIFE IMPACTS

Issues Raised by Hurricane Isaac of the
Gulf of Mexico 08/29/2012

Tests confirm link between BP oil, post-Isaac tar

The Associated Press, Thursday, September 13, 2012:

Scientific testing has confirmed a link between oil from the massive BP spill and tar found on Alabama beaches after Hurricane Isaac.

Auburn University researcher Joel Hayworth said Tuesday a chemical analysis showed that tar balls collected after Isaac were associated with the type of oil spilled after the explosion on the Deepwater Horizon rig in 2010.

Auburn researchers collected about 15 pounds of tar balls after the storm, and officials from Gulf Shores and Orange Beach picked up still more.

How did BP handle fallout from the Auburn Study?

The Associate Press reported BP is holding a media briefing in New Orleans to discuss its response after Isaac in Alabama, Florida, Louisiana and Mississippi.

Here is an excerpt from the report.

Isaac Churned Up Tar from Gulf Spill, BP Confirms



A satellite image of Isaac captured at 1:35 CT on Tuesday, Aug. 28.

Tar turning up along the Gulf Coast in the wake of Hurricane Isaac has been traced to the 2010 Deepwater Horizon oil spill, BP confirmed.

Mike Utsler, head of BP's Gulf Coast Restoration Organization, said that oil had been found "buried in isolated stretches of shoreline" during cleaning before the storm hit. Isaac, which landfall in Louisiana late last month, churned up some of that mess.

"In July 2010, early in the cleanup, Tropical Storm Bonnie pushed tons of sand toward the shore, burying some of the oil we were working to clean up," Utsler said in a statement Tuesday (Sept. 11). "Now, two years later, Hurricane Isaac has moved sand again and uncovered some buried tar mats."

Utsler also said the storm's aftermath provides an opportunity to for "deep cleaning" at beaches where sand might be holding onto oil from the devastating spill. In its previous cleanup efforts, the company dug as much as 5 feet (1.5 meters) down into the sand at "amenity beaches" (tourist beaches) to get rid of residual oil.

Since then, there have been no reports of tar mats exposed at these areas, BP said. But such aggressive digging at other beaches could cause more environmental harm than good, as removing sand may contribute to erosion. However, after Isaac, BP is seeking permission from local officials to deep clean some areas in Louisiana where digging out tar below a depth of 18 inches (46 centimeters) was previously prohibited.

"It is our belief that Isaac has now changed the dynamics by removing sand that covered those tar mats," Utsler said in the statement. "We now have the ability to go in and clean without the same degree of environmental impact."

The hurricane and its churn-up of oil have had other effects as well. For instance, just after Isaac moved through, the Department of Wildlife and Fisheries said officials found three live oil-drenched birds (two brown pelicans and one black vulture) and four dead ones (one black vulture, one brown pelican, one clapper rail and one common moorhen) on an abandoned platform near Myrtle Grove in Plaquemines Parish.

**2. Industry and Government
Cooperation Efforts to Preserve
Marine Environments.**

We must show the public that our Industry is a good citizen with a view to a safer world and the preservation of our environment.

Ethics for the Oil and Gas Lawyer and Landman in Closing the Deal

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