

"EXHIBIT"

N O R T H T E X A S A S S O C I A T I O N O F P R O F E S S I O N A L L A N D M E N
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INSIDE THIS ISSUE

Page 2

- Message from the President

Page 3

- Article by Alex Mills

Page 4

- Membership

Page 5

- Calendar

Page 6

- Social Pictures

Page 7

- Proposed Amendments to the By-Laws

HISTORY OF THE NTAPL

The North Texas Association of Professional Landmen (NTAPL) was originally chartered in the early 1950's, as the North Texas Association of Petroleum Landmen, by a group who saw the importance and need for a peer network in the area. The organization was stagnant for some time during the late 50's and throughout the 1960's due to declining oil business in the Texoma area and was re-chartered in 1971. During the late 70's, 80's and 90's, the NTAPL saw an increase in growth with an average membership of 60 local Landmen. Over the past few years, the organization has steadily seen a decline in membership, however numbers once again are on the rise. Today's total membership is 45.

The NTAPL's mission is to provide members with educational opportunities and professional support. NTAPL provides its members with social and community events to promote and strengthen fellowship among members and in the community. The NTAPL is pledged to support the principles for which the AAPL was formed and to promote and encourage the highest standards of professionalism among all members.

The NTAPL is a charter member of the Texas Alliance of Landmen Associations. The purpose of TXALA is to promote education to the public and within our profession; to monitor and engage, when necessary, in Texas legislative initiatives; and to encourage intrastate association collaboration.

UPCOMING MEETINGS

January 2011 25th

February 2011 22nd

All meetings to be held at El Mejicano at Noon, Email reminders will be sent out prior to meeting.



CURRENT OFFICERS

President
Brady Watson, RL
Gunn Oil Company

Secretary/Treasurer
Debbie Frerich, CPL
Cobra Oil and Gas



Vice President
Sherry Knight
Burk Royalty Co.,

AAPL Director
Terry Caves
Gunn Oil Company

"Do what you can where you are with what you have"— Theodore Roosevelt

Think NTAPL should hear about something? Please submit your stories to Kristina Suarez at ksuarez@gunnoil.com

Message From The President

I hope that each and every one of you had a very Merry Christmas and I wish you and yours a prosperous New Year. I understand from my conversations with some of the local landmen that most are extremely busy right now.

The new website should be up and running by the time this newsletter reaches you. The website, www.ntapl.org, is just what this organization needs for a great boost into 2011. Members outside of the Texoma area will have a convenient and quick way to stay in touch with the NTAPL as well as having access to contact information for other NTAPL members. The Member Directory tab is password protected so that only Members can access that portion of the site in order to protect everyone's information. The website features an interactive calendar, archived newsletters, as well as a photo gallery and membership application. Please check the site often for updates and announcements.

The social in December was well attended and plans are in the works for another event in the near future. The January meeting is of great importance – we will be voting on the proposed change to the NTAPL By-Laws. Please make plans to attend this meeting. Also, our Philanthropy Committee will be meeting soon to establish our donor advised fund with the Wichita Falls Area Community Foundation.

For the time being the location of our monthly lunch meetings will be El Mejicano, Missile Road and I-44, <http://elmejicano.net/>. Members will have the option to choose the buffet or be able to order directly off the menu.

I look forward to a great new year with the NTAPL and as always, do not hesitate to contact me with any questions or concerns.

Brady Watson, RL



Brady Watson and wife, Jody



Article By Alex Mills, Alliance President
Dec 2, 2010

Virtually everyone agrees with the Report of the National Commission on Fiscal Responsibility and Reform that the United States of America is on an unsustainable fiscal path.

“Spending is rising and revenues are falling short, requiring the government to borrow huge sums each year to make up the difference,” the report states.

“We face staggering deficits. In 2010, federal spending was nearly 24 percent of Gross Domestic Product (GDP), the value of all goods and services produced in the economy. Only during World War II was federal spending a larger part of the economy. Tax revenues stood at 15 percent of GDP this year, the lowest level since 1950. The gap between spending and revenue – the budget deficit – was just under 9 percent of GDP.”

The report correctly points out that the escalation of the deficit was driven in large part by two wars and a slew of fiscally irresponsible policies, along with a deep economic downturn.

The situation gets worse, the report states, if massive changes are not made in the tax code (including tax increases), health care, social security, raise the retirement age and benefits, and reduce federal spending.

The report will impact the oil and gas industry in many ways through the proposed changes in the tax code.

First, some of the proposals for individuals are:

- Establish three tax rates (15, 25 and 35 percent);
- Increase gasoline tax 15 cents per gallon;
- Repeal state and local tax deductions including cafeteria plans;
- Limit charitable deductions;
- Cap income tax exclusion for employer-provided healthcare.

Secondly, the corporate tax changes are:

- Eliminate oil and gas tax preferences (percentage depletion and expensing of intangible drilling costs);
- Eliminate the depreciation rules, the domestic production deduction, and the last-in-first-out (LIFO) method of accounting;
- Eliminate all tax expenditures;
- Reduce the corporate tax rate to 26 percent from 35 percent.

Obviously, these suggestions alone will have a dramatic impact on the oil and gas industry.

Lowering the tax rate for corporations makes sense to get the economy out of the recession.

However, elimination of percentage depletion and expensing of IDCs will negatively impact the small, independent oil and gas producer who drilled 96 percent of the wells in Texas in 2009. Both of these tax items, which have been around for about 90 years, help small companies keep low producing wells operational and finances the drilling of new wells. Repeal of both tax provisions would not hurt “Big Oil,” because the major oil companies are restricted to using percentage depletion and can only expense a portion of IDCs in the year incurred.

As fewer wells are drilled in the U.S. and production declines, foreign imports will rise. Some believe that energy prices in general will increase, too, which will have a negative impact on the economic recovery.

The members of the committee must look at and evaluate the unintended consequences, such as repeal of these provisions, before including them in the adopted and final report of the commission.

Alex Mills is President of the Texas Alliance of Energy Producers, which is the largest state oil and gas association in the nation. Alex is also an Associate Member of the NTAPL. The opinions expressed are solely of the author.

Membership

It is our pleasure to welcome you as a new member of the NTAPL and to offer thanks for your enthusiasm and interest in our group. As we continue to grow, please remember you are just as important to the group as anyone else. Don't hold back! We want your advice, so don't hesitate to bring your ideas to our attention.

We extend our warmest welcome to you!

Newest Member:

David Potts

David W. Potts Land & Exploration Co. President
32 years land experience

Are you interested in becoming a member of NTAPL or need to renew your membership?

To become a new member or renew your membership, please download, print and fill out a NTAPL Membership Application from the NTAPL Website (www.NTAPL.org) under the Membership Application tab. Please mail the application along with your payment to the address listed on the form.

Membership term is from September 1st to August 31st of the following year. Dues are not prorated.

January 2011						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
						1 New Year's
2	3	4	5	6	7	8
9 Mark Sutton	10	11 JOA Workshop—Houston, TX	12	13 Fundamentals of Land Practices & RPL Exam—Houston, TX	14	15
16	17 Martin Luther King, Jr. Day	18	19 Erin Simpson	20	21	22
23 30 David Little	24 31	25 NTAPL Meeting Oil & Gas Land Review, CPL/RPL Exam—Fort Worth, TX	26	27	28	29

February 2011						
Sun	Mon	Tue	Wed	Thu	Fri	Sat
		1	2	3 Matt Muehlberger	4	5 John Cox Joan Cartwright
6	7	8	9	10	11 Fundamentals of Land Practices & RPL Exam—San Antonio, TX	12 Josh James Lincoln's Birthday
13	14 Valentine's Day	15	16	17	18	19
20	21 President's Day	22 NTAPL Meeting Washington's Birthday	23 Kristina Suarez	24 Flag Day	25 WI/NRI Workshop—Oklahoma City, OK	26
27	28					

2010 Petroleum Social Iron Horse Pub



**AMENDMENT TO THE NORTH TEXAS ASSOCIATION OF PROFESSIONAL LANDMEN
BY-LAWS
OCTOBER 26TH, 2010**

Article 4.1 Types of Membership

Active

An "Active" member shall be deemed any person engaged primarily in land title work, and regularly employed by a recognized oil and/or gas company under the direct supervision of its land department (or its equivalent).

OR

Such other persons engaged in the oil and gas business, not falling within the classification above, whose direct interest is in land and title work or associated therewith, along with other unrelated duties or interest in the oil and gas industry.

Associate

"Associate" members shall be deemed to be those persons engaged in the oil and/or gas business, or service businesses, whose primary responsibilities and duties are not land and associated title work thereunder. Such "Associate" member shall not be eligible to hold any elective office nor vote in any election for such elective office. "Associate" members shall pay dues in the amount of \$25.00 per year.

Lifetime

"Lifetime" members shall be deemed to be those persons falling into the Active classification above and who have attained the age of sixty-five (65) years and has been a member of the organization for ten (10) years or more. Such Lifetime member shall not be eligible to hold any elective office. Lifetime members shall be exempt from annual membership dues.

Article 6 Officers

The **NTAPL** shall elect 3 officers for a two-year term (beginning June 1st) at the last regular meeting in May. The **President** shall preside at meetings, appoint committee members, and assist in arranging educational opportunities and social functions. The **Vice-President** shall assist the President in all of his/her duties. The **Secretary/Treasurer** shall handle all expenses, keep financial records, and keep accurate minutes of all NTAPL meetings.

Article 6.1 Officer Requirements

All **NTAPL** elected officers shall be members in good standing with the American Association of Professional Landmen.