

# Fort★Worth BusinessPress

## Landmen rush fades as leasing activity slows

**BY JOHN-LAURENT TRONCHE**

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The Tarrant County Courthouse bustled with activity just six months ago as landmen worked around the clock researching for natural gas companies, but the recent slowdown in leasing significantly has changed the ambience in the records rooms.

Landmen are individuals charged with researching titles to properties leased by natural gas companies. There are two types of landmen: in-house landmen, who work on the big picture, and field landmen, who are hired as contract labor, paid as such and perform microlevel tasks such as determining who owns the mineral rights and who gets what and how much once a well begins producing

“The in-house landmen are the ones putting together the drilling units ... they kind of help decide where to drill the wells,” said Jeff Pinter, district land coordinator at Chesapeake Energy Corp. Field landmen are independent and “their relationship to Chesapeake is several steps removed.”

The Oklahoma City-based natural gas exploration company employs between 20 to 30 in-house landmen, about six of whom work in Fort Worth, compared to the 1,000 field landmen the company uses, some of whom work with land leasing partner, Dale Resources LLC.

“With Dale Resources, we have a land service agreement and that basically provides that Dale Resources will hire the people they need to do the services required,” Pinter said. “Dale hires their own independent contractors, some may be leasing agents, some may be title agents, and they carry out the directions we set out in the agreement.”

While in-house landmen have the benefit of job security at Chesapeake Energy, field landmen are hired with no guarantee their job will exist in a few months. They are paid a day rate – usually at least \$150 without taxes removed – and their expenses, including photocopies and gasoline, are covered.

“They do an important job for us but they’re working for a day rate,” Pinter said. “They’re out there getting leases or they’re running title on block 1, lot A.”

In May, County Clerk Suzanne Henderson estimated the plat room and deed records would

see more than 130 people in a day. More than 30 people would line up before 8 a.m. on any given morning to secure computers. That number is more like 20 today.

And while the records rooms are still busy, it's clear that activity has been scaled back.

When leasing activity slows down, the number of necessary field landmen drops.

"It ebbs and flows with the supply and demand of leasing," said Jerri Robbins, public relations manager at Chesapeake Energy. She said the situation provides natural gas companies flexibility to quickly increase or decrease staff as needed.

Pinter said there is a definite tie between drilling activity and the amount of field landmen working in the courthouse.

"It does kind of relate to drilling activity," Pinter said. "As you see drilling activity decrease, there is generally a lower need for field landmen. If you're targeting four neighborhoods instead of eight, you'll need fewer people."

Despite an eventual reduction in field landmen, Dale Resources' David Buchanan, director of community affairs, said the company's 75 landmen still have full plates in terms of work.

"The landmen here still have a lot of work to do," he said. "It's different from what we've done in the past. We're going on our seventh year in the Barnett Shale, and there is a lot that still needs to be done in between when that lease is signed" all the way to royalty checks arriving in the mail.

There are also opportunities for landmen to move to other shale plays being developed across the United States; Dale Resources employees have made leaps to the Haynesville and Marcellus shales, in Louisiana and the Appalachian Basin, respectively.

"It usually works out where we have opportunities come available and people we like in terms of how they've worked and we offer those opportunities to them," he said, "and sometimes people hear about a new play and they want to go and get another skill set in a different area. And we're open to either one."

The American Association of Professional Landmen also serves as a resource for its members and a representative entity for non-members, too. The Fort Worth-based group has more than 11,000 members nationwide, and membership has grown 30 percent in the past few years.

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