

**PARALEGAL EXAM SPECIFICATIONS
FOR
OIL, GAS & MINERAL LAW**

PURPOSE OF THE EXAM. The purpose of the certification exam is to require an applicant to demonstrate substantial knowledge of significant legal concepts and corresponding paralegal skills in oil, gas and mineral law.

EXAM FORMAT. The exam is 4 hours in length and is divided into two sessions. Part I consists of 2 essay questions with a total value of 150 points (75 points per essay). This portion of the exam requires the identification of critical or substantive issues and knowledge of procedures. Applicants will have 2-1/2 hours to complete Part I. Part II consists of 90 multiple-choice questions with a total point value of 90 points (1 point per question). Applicants will have 1-1/2 hours to complete Part II.

OVERALL KNOWLEDGE. An applicant in oil, gas and mineral law is expected to demonstrate an understanding of legal issues applicable to oil, gas and other minerals, including mineral and leasehold interests as well as their acquisition, ownership, leasing, development, financing and disposition. An applicant is expected to be able to practically apply legal concepts in these areas and should be able to conduct factual analyses, identify issues, solve problems, evaluate cases and effectively communicate about oil, gas and mineral law matters.

ESSAY QUESTIONS. Essay questions consist of a fact pattern followed by a series of questions (usually 4-6) for an applicant to answer. Essays are designed to require an applicant to recognize and analyze issues in the fact pattern and explain how those issues should be resolved. The fact patterns will involve situations you would likely encounter in your work as a paralegal. Applicants should make sure to provide the specific information each question asks for and to communicate as clearly and as thoroughly as possible. An organized, clearly written answer using complete sentences will almost always receive a higher score than a choppy, disorganized one. In order to pass the exam, applicants must be able to clearly express answers in a manner that would be persuasive to the decision maker in a case.

MULTIPLE CHOICE QUESTIONS. These questions are designed to test a breadth of issues in the specialty area and require an applicant to select the **best** available answer option.

REQUIRED KNOWLEDGE, SKILLS AND ABILITIES. The knowledge, skills and abilities required of an applicant are set out below.

NOTE: NOT ALL TOPICS LISTED BELOW WILL BE COVERED ON ANY GIVEN EXAM. APPLICANTS WILL BE TESTED ON RULES AND LAWS IN EFFECT AT THE TIME OF THE EXAM UNLESS OTHERWISE SPECIFIED.

1. Ownership of Oil, Gas and Minerals
 - A. Nature of the ownership
 - B. Surface rights of the mineral owner and surface owner
 - C. Trespass, surface and subsurface

- D. Adverse possession
- E. Rights of concurrent owners
- F. Rights of owners of successive interests
- G. Rights to lease
- 2. Conveyancing
 - A. Formalities
 - B. Meaning of “minerals”
 - C. Grants and reservations
 - D. Terms of interest
 - E. Construction of deeds
 - F. Probate and intestate succession
- 3. Oil and Gas Mineral Leases
 - A. Habendum clauses
 - B. Royalty clauses
 - C. Mother Hubbard clause
 - D. Warranty Clause
 - E. Pugh Clause
 - F. Force Majeure Clause
 - G. Community Lease
 - H. Covenants
- 4. Pooling and Unitization Industry Contracts
 - A. Farm-outs
 - B. Operating agreements
 - C. Joint venture
 - D. Right-of-way
 - E. Seismic easements
 - F. Surface Damages
 - G. Processing agreements
 - H. Drilling contracts and master service agreements
 - I. Indemnities
 - J. Gas purchase contracts
- 5. Oil and Gas Terminology
- 6. State and Federal Regulations
 - A. Railroad Commission rules and administrative codes
 - B. Surface Mining and Reclamation Act
 - C. Mineral Interest Pooling Act
 - D. Relinquishment Act
 - E. Leasing state lands
- 7. Oil, Gas and Mineral Financing Liens
 - A. Deeds of Trust
 - B. Financing Statements
 - C. Security Agreements
- 8. Ethics

SKILLS

An applicant must demonstrate the ability to:

- Communicate effectively with their supervising attorney;
- Demonstrate the ability to identify the type of instrument being negotiated in an oil and gas transaction, the parties to the transaction and understand the effect of the clauses used in the instrument.
- Identify and understand oil and gas lease provisions.
- Understand the terminology used in oil and gas transactions and in the industry.
- Retrieve, manipulate and understand oil and gas permitting, drilling, completion, production and administrative history data from publicly available sources including the Texas Railroad Commission.
- Retrieve title instruments from publicly available data.
- Demonstrate the ability to organize, manage and archive multiple documents drafts, correspondence and other file documents during the oil and gas transaction process.
- Demonstrate the ability to manage and coordinate the preparation, execution and recording of original oil and gas instruments and proper dissemination to the appropriate parties.

STUDY MATERIALS. There is not an exam preparatory course provided by the TBLS. Past exams are not available for review. Applicants are encouraged to study the statutes and regulations relating to the topics described above, Texas oil and gas treatises, the Texas Paralegal Ethics Handbook from the Paralegal Division and to attend and/or study materials from oil and gas CLE programs.

SCORING/RESULTS. TBLS has not predetermined the passing score. An applicant's score from Part I and Part II will be added together to determine the applicant's overall performance. Examination credits will be given for accuracy, clarity, brevity, reasoning, and recognition of problems presented, knowledge of the principles of law involved and a correct application of those principles. Grades are established by using a variation of the bell curve, which measures an applicant's performance in relation to other applicants' performance.