



Conservation 20/20

Oil, Gas & Mineral Rights

October 18, 2016

Board of County Commissioners
Lee County, Florida

Overview

- OGM Rights
- Historical Lee County Practice
- Why This is an Issue

Survey of Other Conservation Programs

Proposed Process

- Provide more flexibility to pursue acquisitions
 - Decide on a case-by-case basis whether to pay for OGM related rights

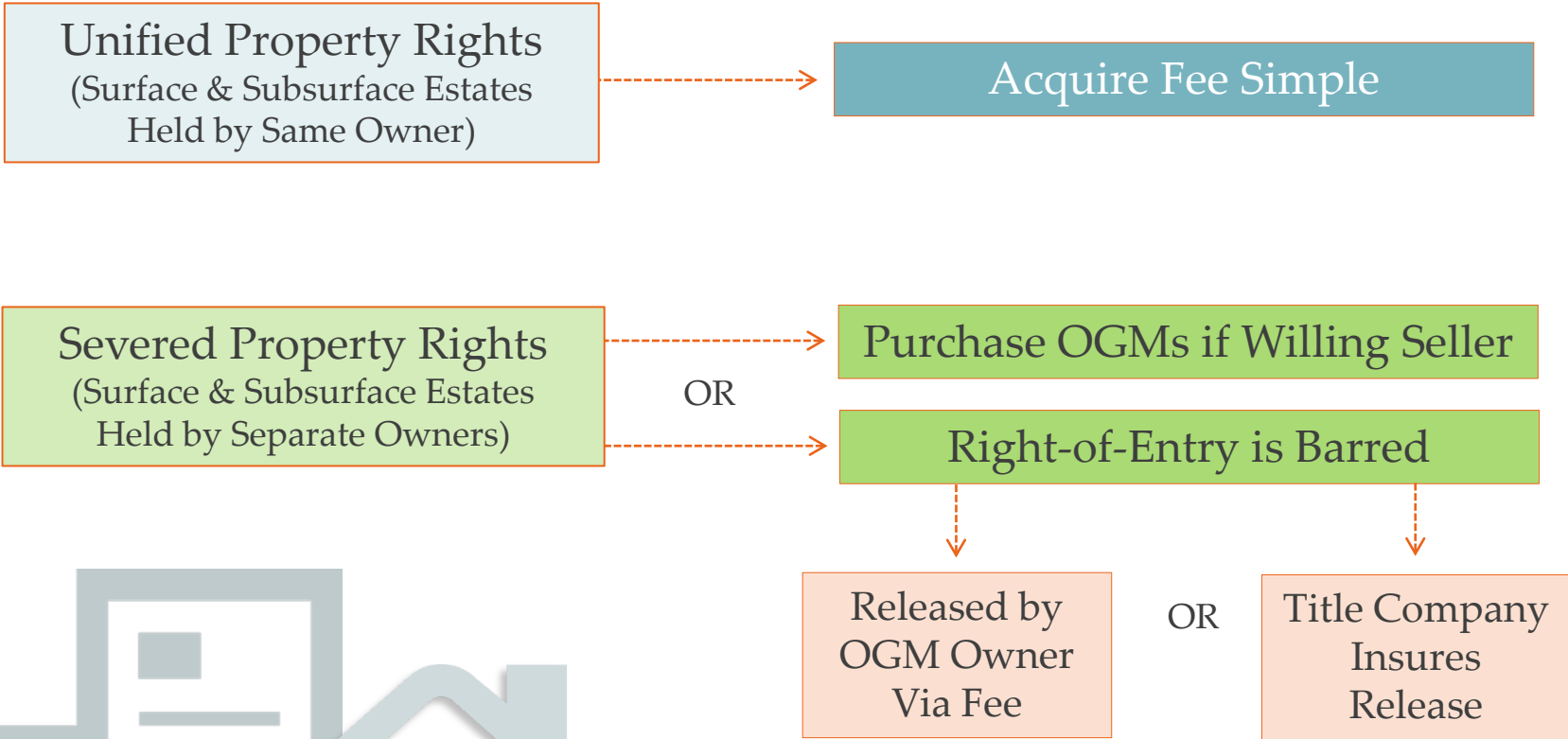
Oil, Gas & Mineral Rights

Control of Mineral Rights can be Severed from Surface Rights and Sold to a Different Owner

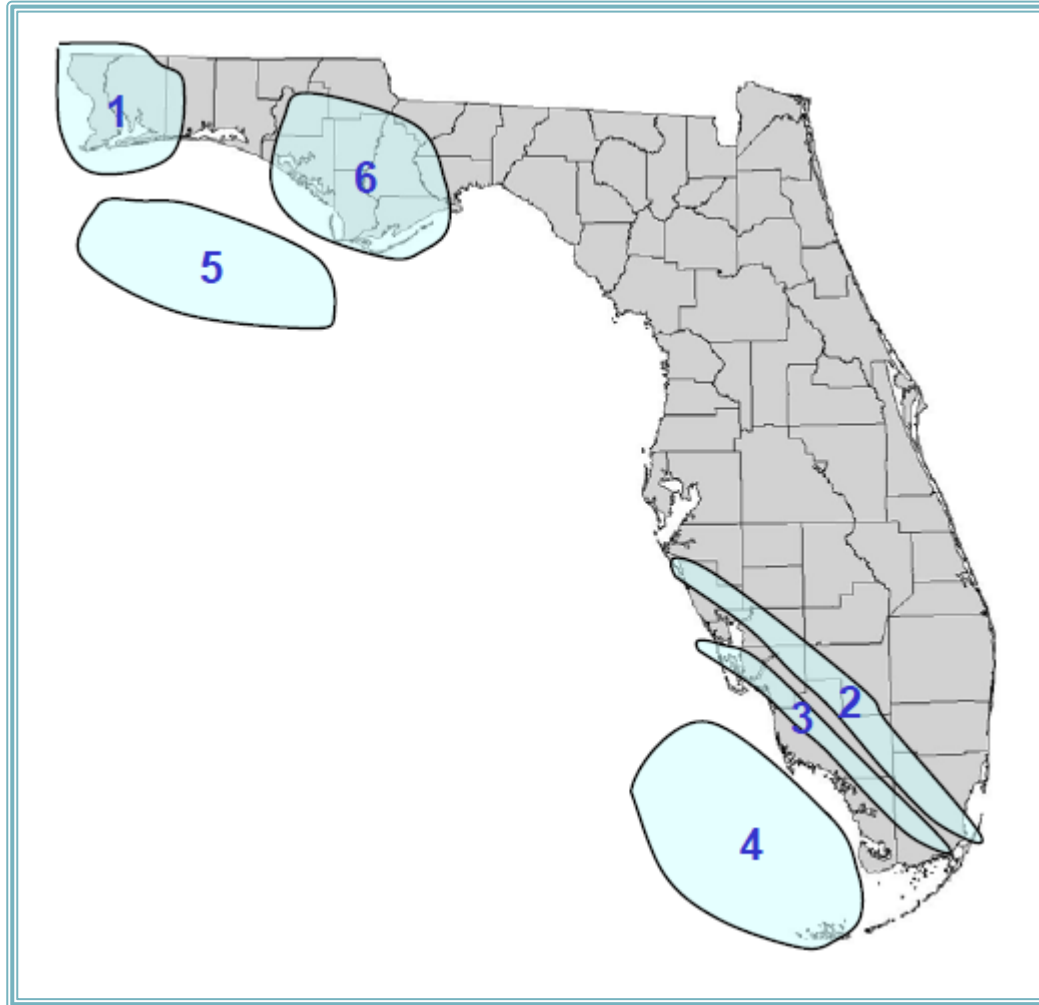
Mineral Estate is Dominant and its Owner “.....has the right of ingress and egress to explore for, locate, and remove the minerals.....”

*-P&N Inv. Corp. v. Florida Ranchettes, Inc.,
220 So. 2d 451, 454 (Fla. 1st DCA 1968)*

Historical Practice

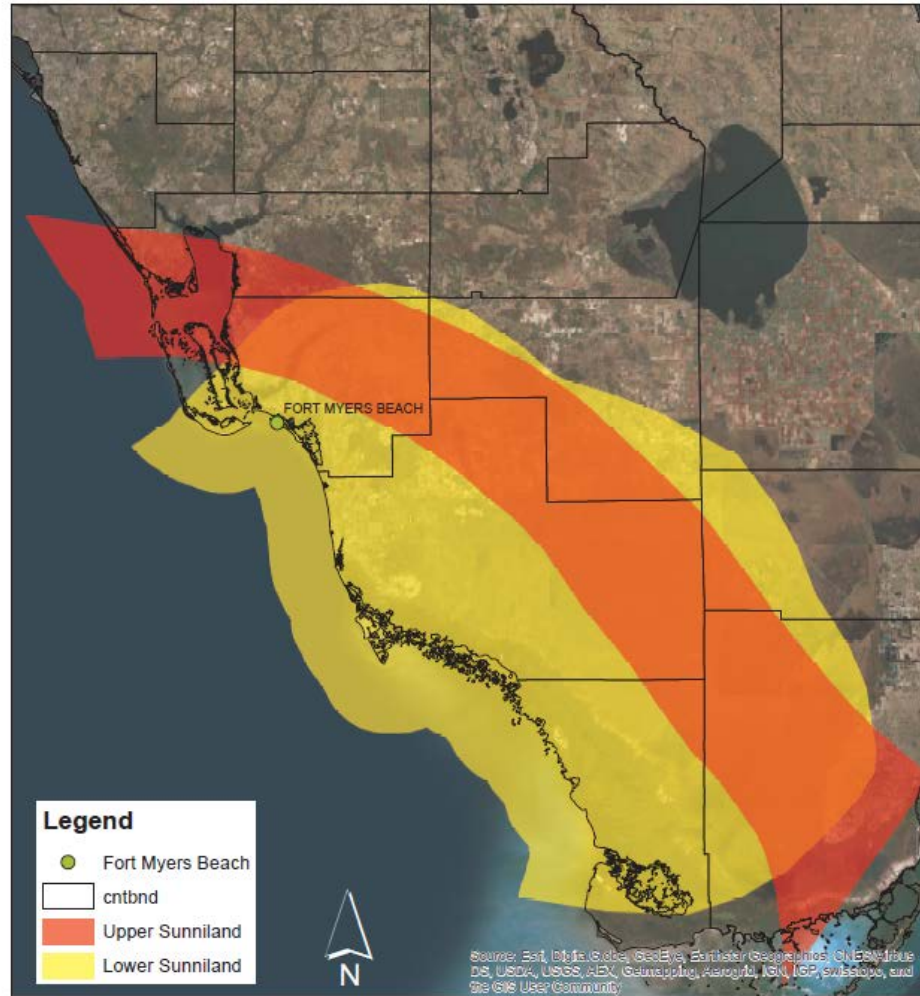


Florida Oil & Gas Areas



South Florida Oil

Oil in South Florida



Hydrocarbon Plays: United States Geological Survey
1995 National Oil and Gas Assessment
Confirmed and Hypothetical Plays

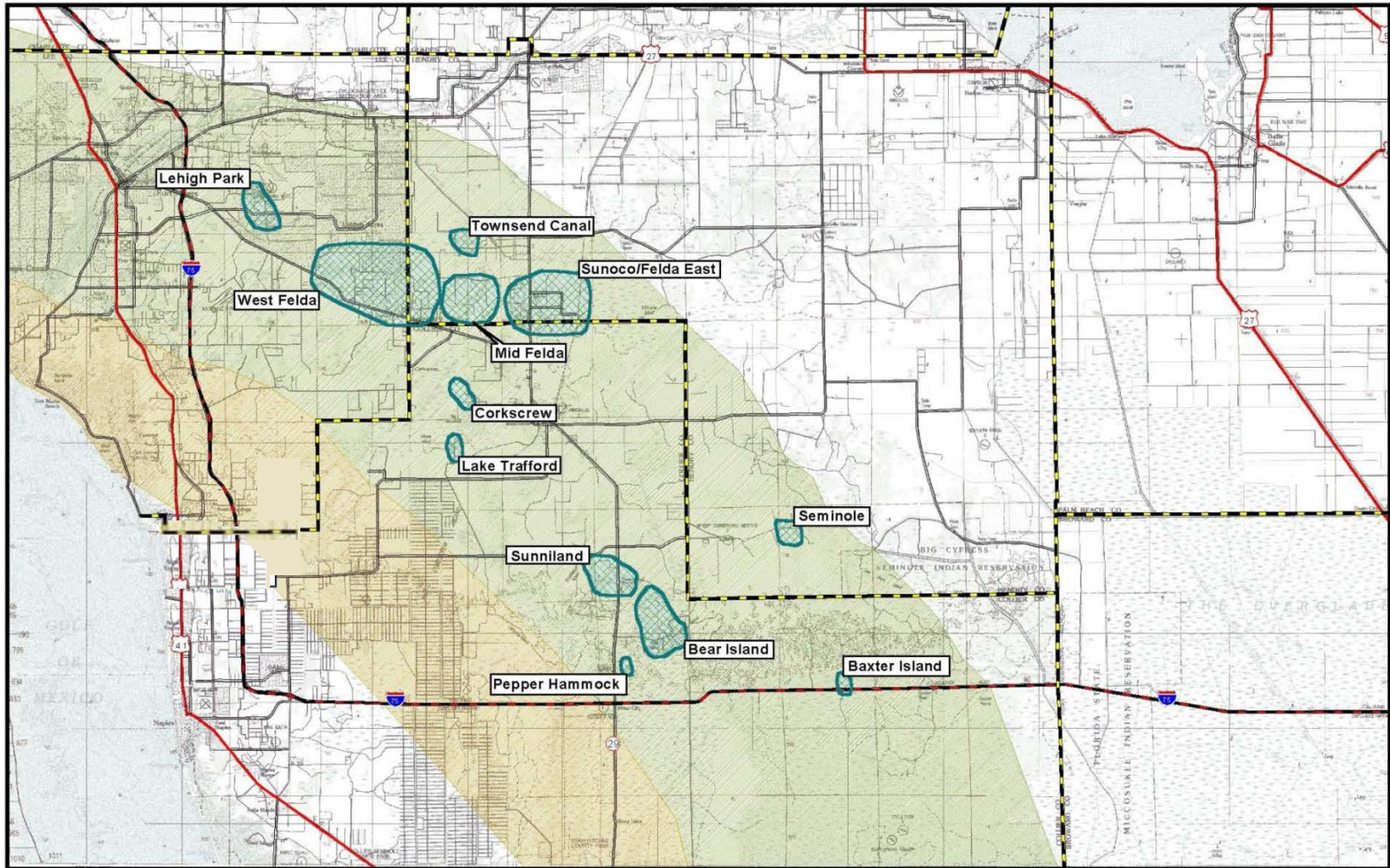
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Board of County
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Oil Fields



*Oil & Gas Mineral Resources in Florida's Future
Presentation, Lampl Herbert, (May 2002)*

Construction Aggregates

Sufficient Supply to Meet Demand Through 2030

Regional Deficit Projected After 2030

*-Southeast Lee County DRGR Resource Mining Study,
Waldrop Engineering (September 2016)*

Aggregates: Limerock Base, Fill Materials, Fine & Coarse Aggregates that can be Produced at Commercial or FDOT Quality Standards

Current Situation

Surface and Subsurface Estates Severed on Large Land Tracts

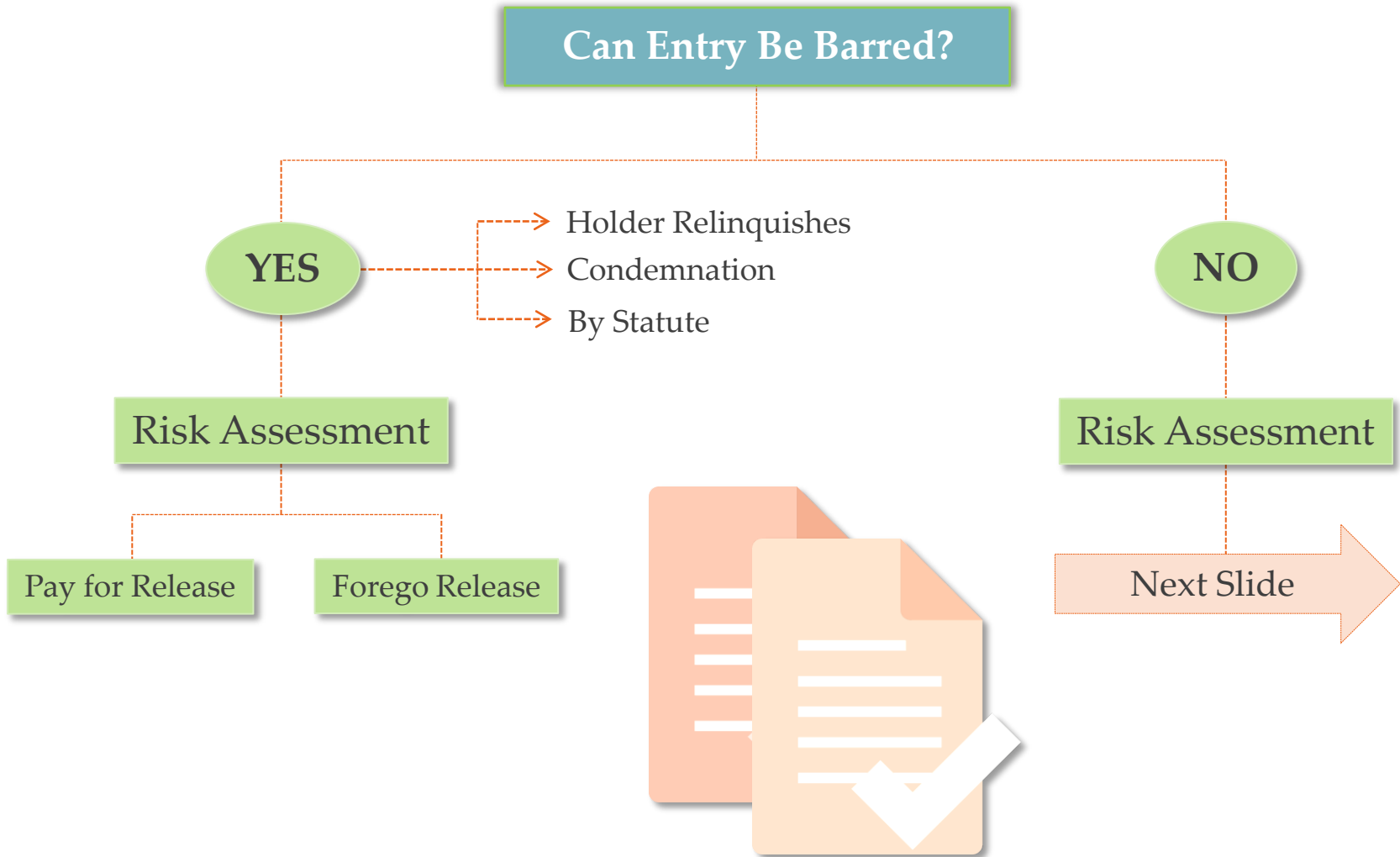
OGM Owners Increasingly Reluctant to Sell Rights

OGM Owners Either Refusing to Release their Right-of-Entry
or Charging ~10% Fee to Do So

OGMs Approach – Other Locations

	Will Purchase Without OGM Ownership?	Require Right of Entry Removed?	How Purchase?
Hillsborough County	Yes	No	Attempt to Get Right of Entry Released; if Not, Do Case-by-Case Risk Assessment
Pinellas County	Yes	No	Acquired "As Is" Without Regard to OGMs or Rights-of-Entry
Charlotte County	Yes	No	Acquired "As Is"
Collier County	Yes	No	Don't Address OGMs; Define Access on Two Properties that have Active Wells
Polk County	Yes	No	Attempt to Get Right of Entry Released; but will Acquire if it is in Place
Palm Beach County	Yes	Yes	Release of Right of Entry Required
State of Florida	Yes	No	Handle on a Case-by-Case Basis
SFWMD	Yes	No	Prefer Removal of OGMs; but will Evaluate on a Case-by-Case Basis

Subsurface Rights Evaluation Process



Risk Assessment

Right of Entry NOT Released

Status Report

Material to
be Potentially
Extracted



Type of
Extraction
Method



Likelihood
of
Extraction



of Individuals
who Hold
Rights



Status of
Adjacent
Parcels



Cost to
Condemn
Rights



Proposed Acquisition Process

