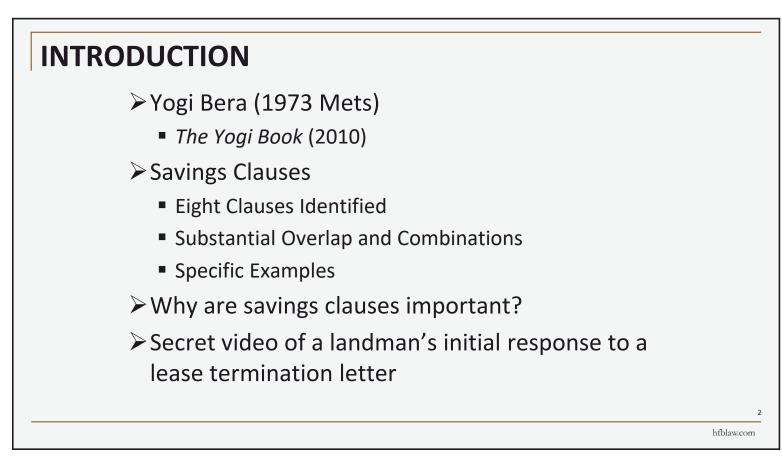
It Ain't Over Till It's Over: A Survey of Oil and Gas Lease Savings Clauses

Paul B. Westbrook

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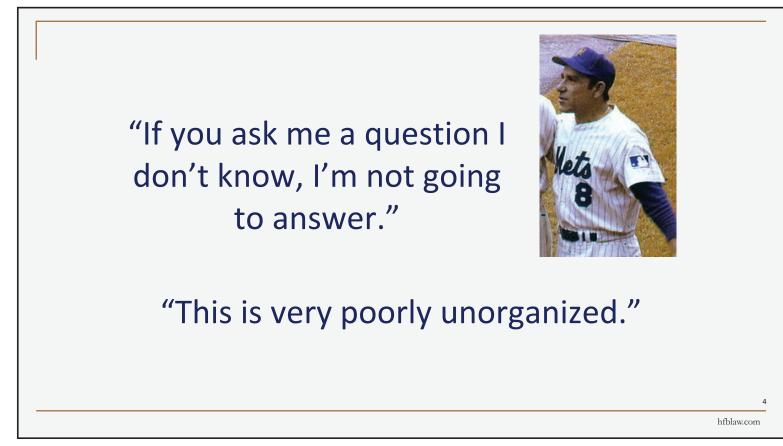


HARRIS · FINLEY · BOGLE 777 Main Street, Suite 1800 Fort Worth, Texas 76102 817.870.8700 hfblaw.com



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NATURE OF AN OIL AND GAS LEASE

➢ Fee Simple Determinable

➤ Habendum Clause

- "...as long thereafter as oil, gas or other mineral is produced"
- Automatic Reversion

Savings Clauses

- Avoid the automatic effect of the habendum clause
- Ultimately, when a lease terminates "is always a question of resolving the intention of the parties from the entire instrument." Southland Royalty, 496 S.W.2d at 552.

SAVINGS CLUASES - GENERALLY

- "A savings clause is structured to maintain a lease in lieu of actual production in a variety of scenarios." *ConocoPhillips Co. v. Koopman*, 542 S.W.3d 643.
- The plaintiff (lessor) bears the burden of proof that the lease has not been maintained by production, and also that the various savings clauses in the lease did not maintain the lease. *Hydrocarbon Mgmt., Inc. v. Tracker Exploration, Inc.,* 861 S.W.2d 427.
- No universal list or form of savings clauses limited only by the creativity and assent of the parties.

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