



New Opportunities:

Maximizing Your Acreage With Solar

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AAPL 2021 ANNUAL MEETING



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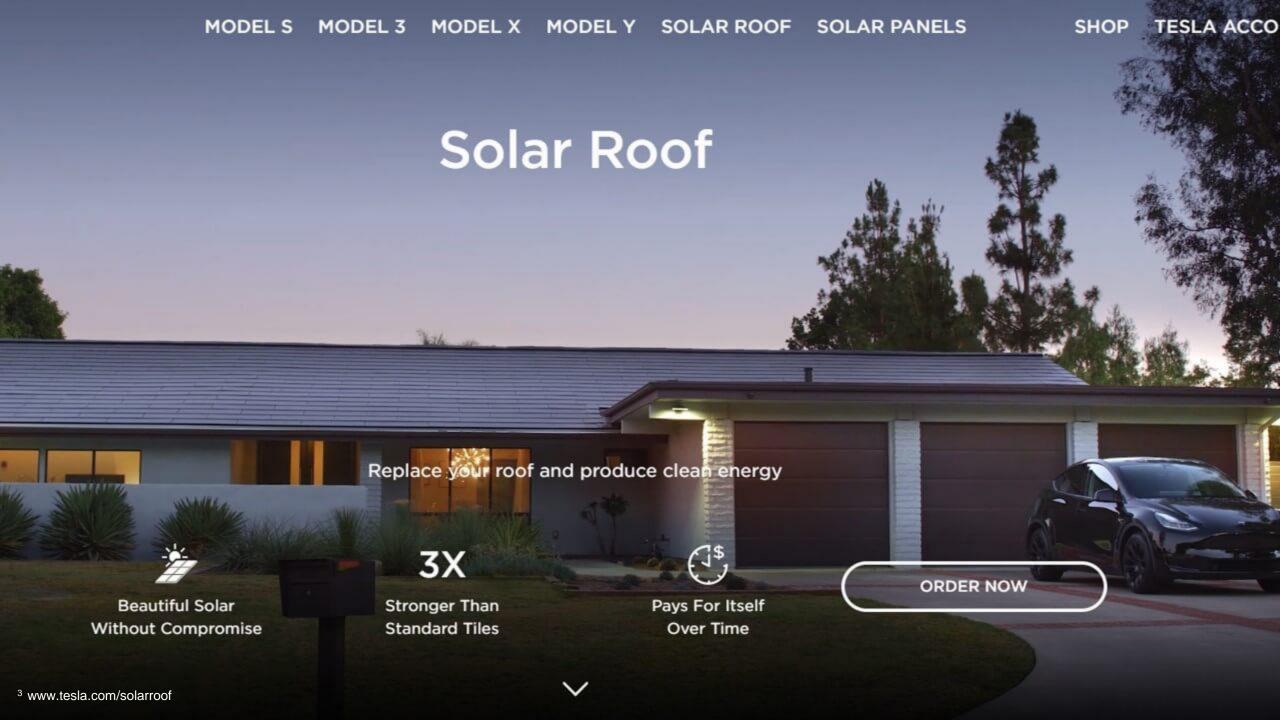




Behind-the-meter (BTM) – a system that generates power/electricity that can be used on-site without passing through a meter.¹









Front-of-the-meter (FTM) – a system that generates power/electricity to any location off-site that must pass through the meter before reaching the end-user.⁴









- Two types of projects BTM and FTM.
- Solar panels produce direct current (DC).7
- Your home uses alternating current (AC).8
- The electrical grid is typically AC.
- One megawatt (AC) is roughly 5 to 8 acres.





- If a solar developer approaches your company (e.g., o/g leasehold owner), the project is *likely* going to be an FTM project.
- Estimated acreage required 10 to 1,000+





Land criteria in solar





Land criteria in solar

Why has our company been approached?





Land criteria in solar

- Why has our company been approached?
- Is our leasehold suitable for solar?

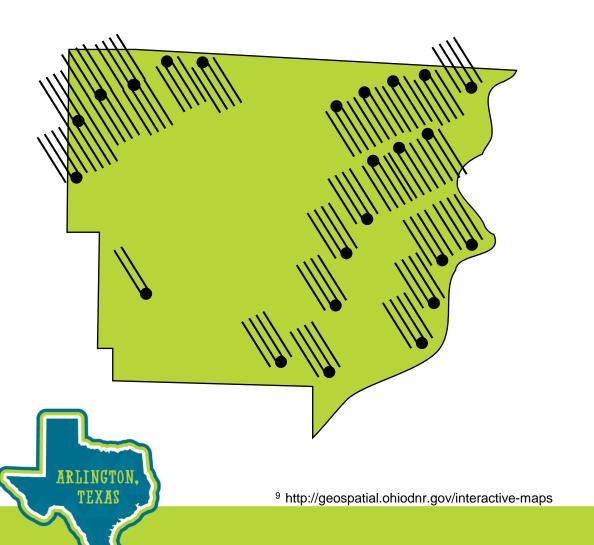


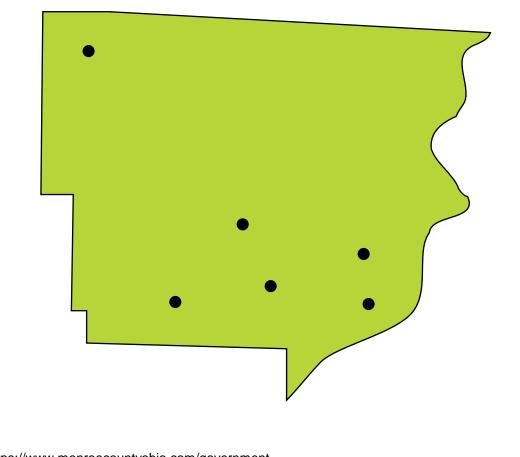


O&G

VS.







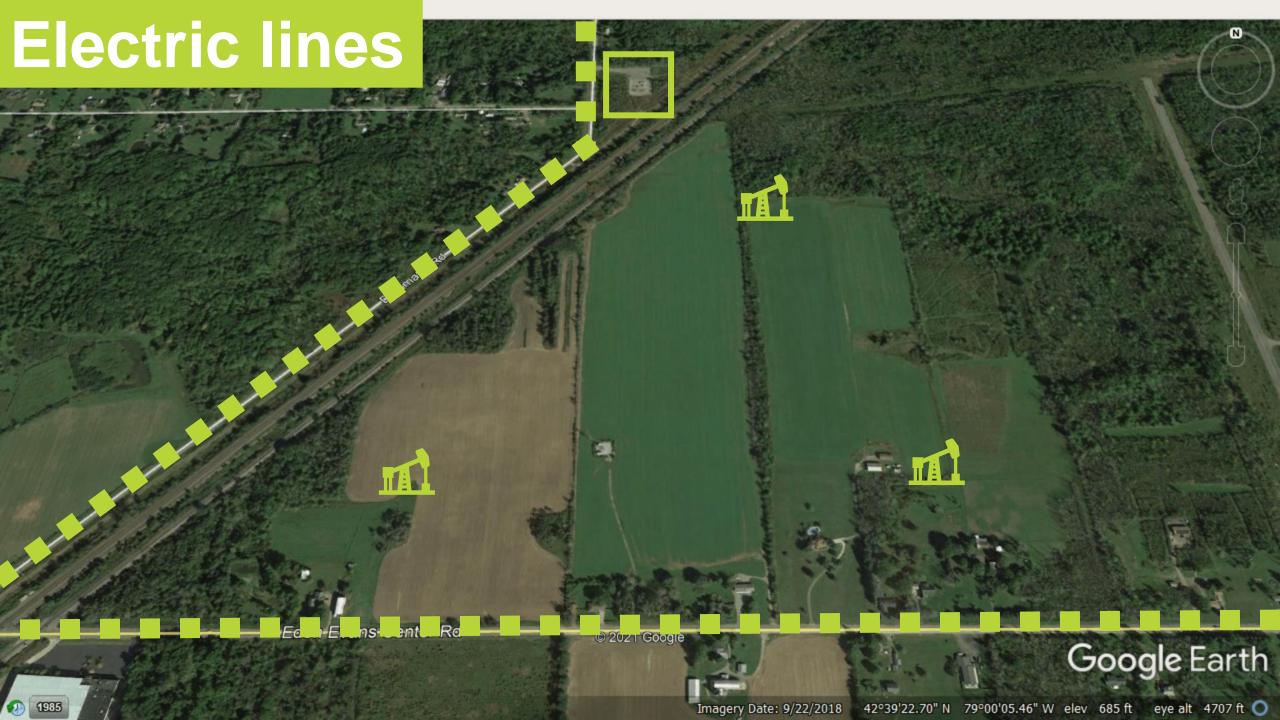
¹⁰ https://www.monroecountyohio.com/government

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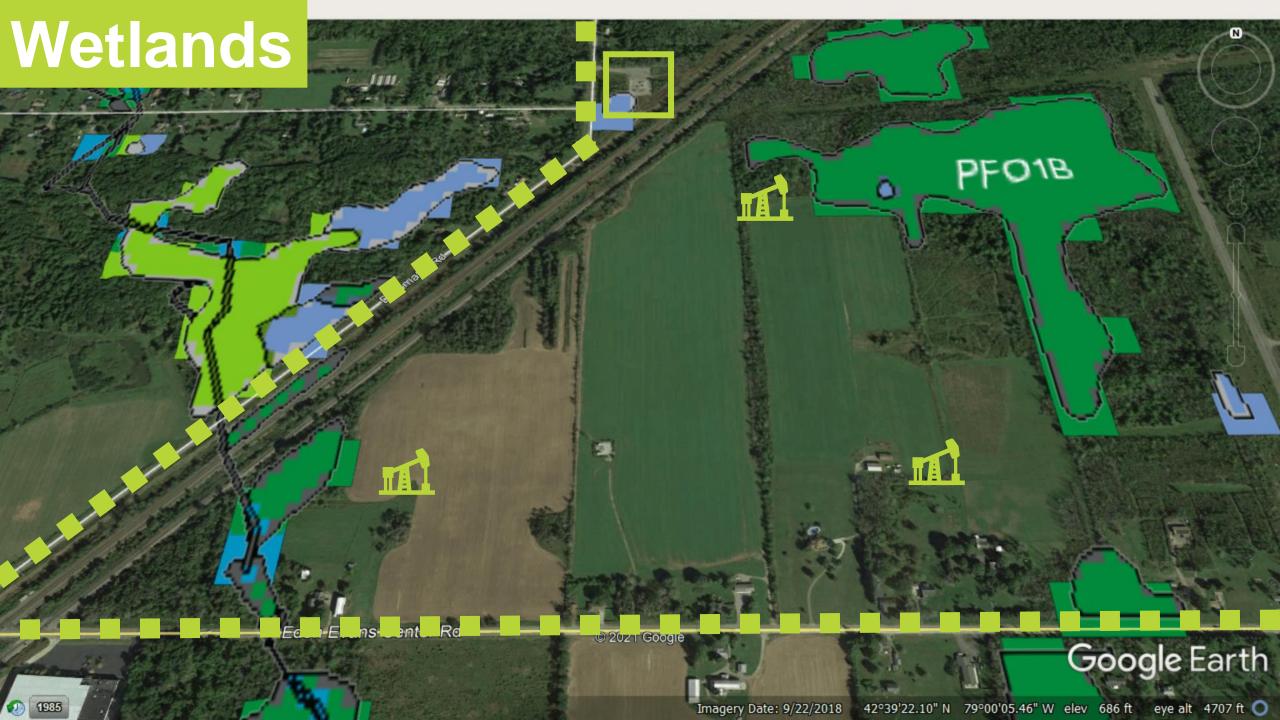


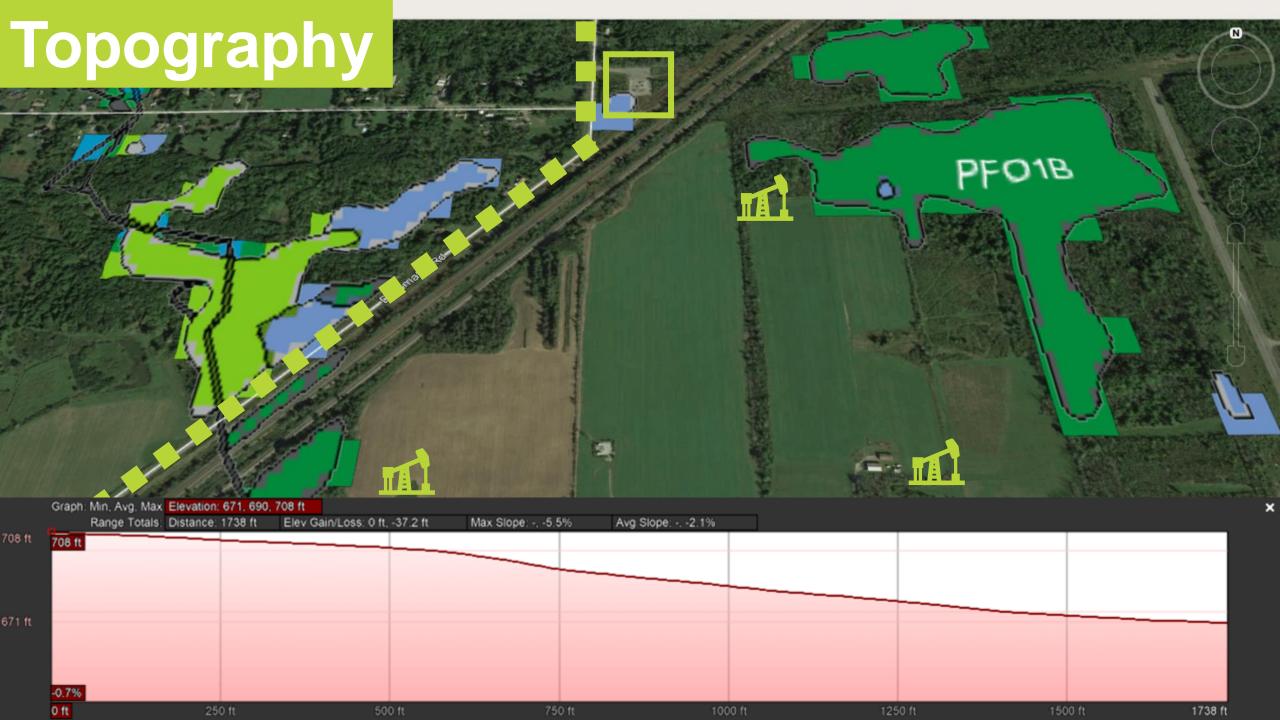


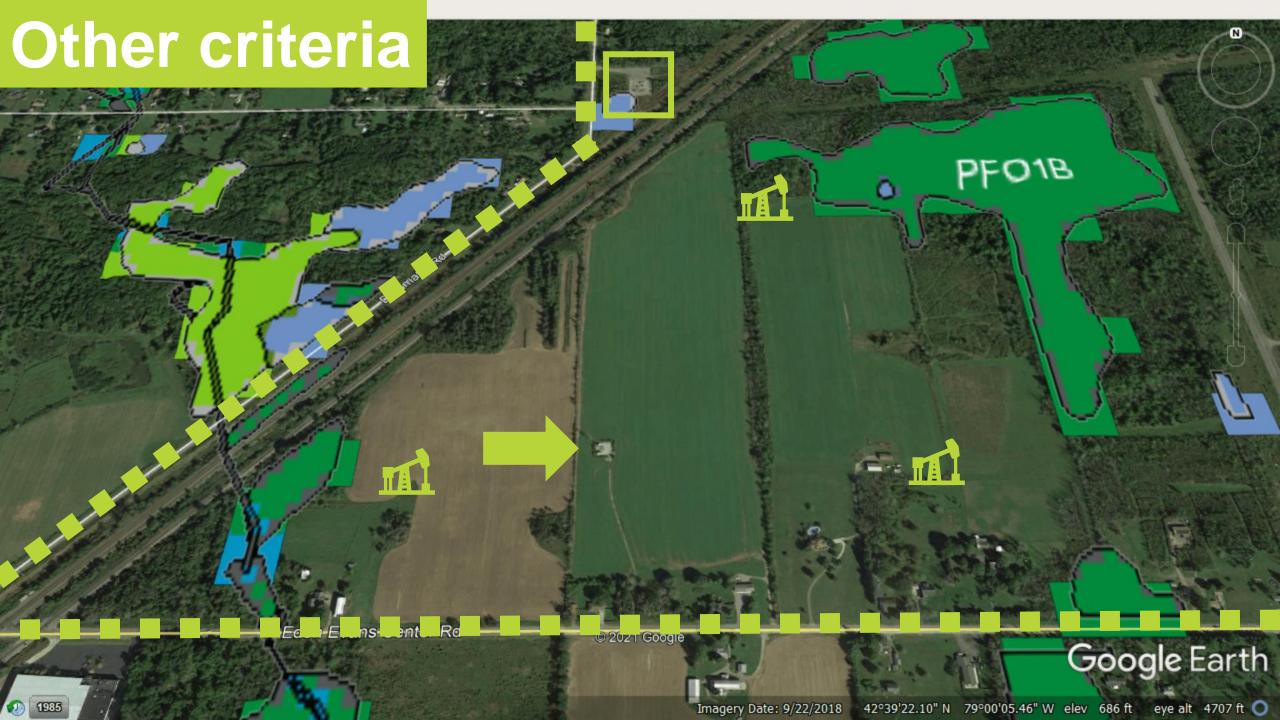


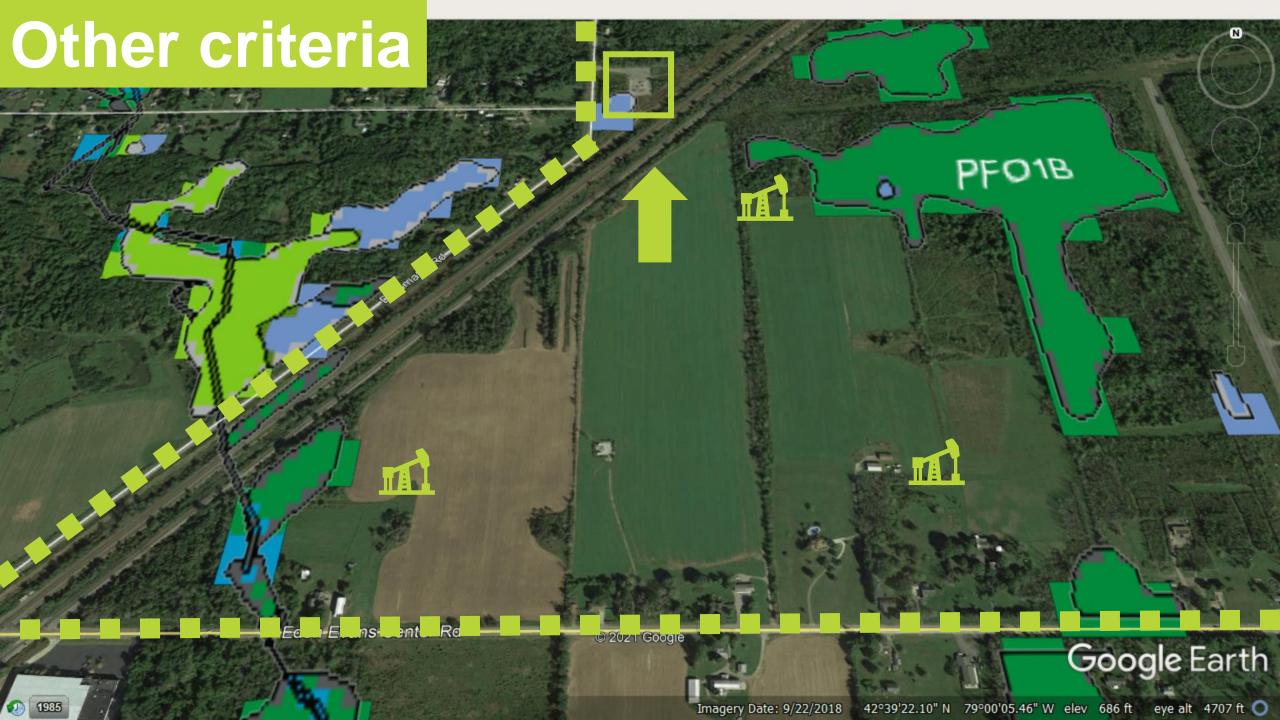


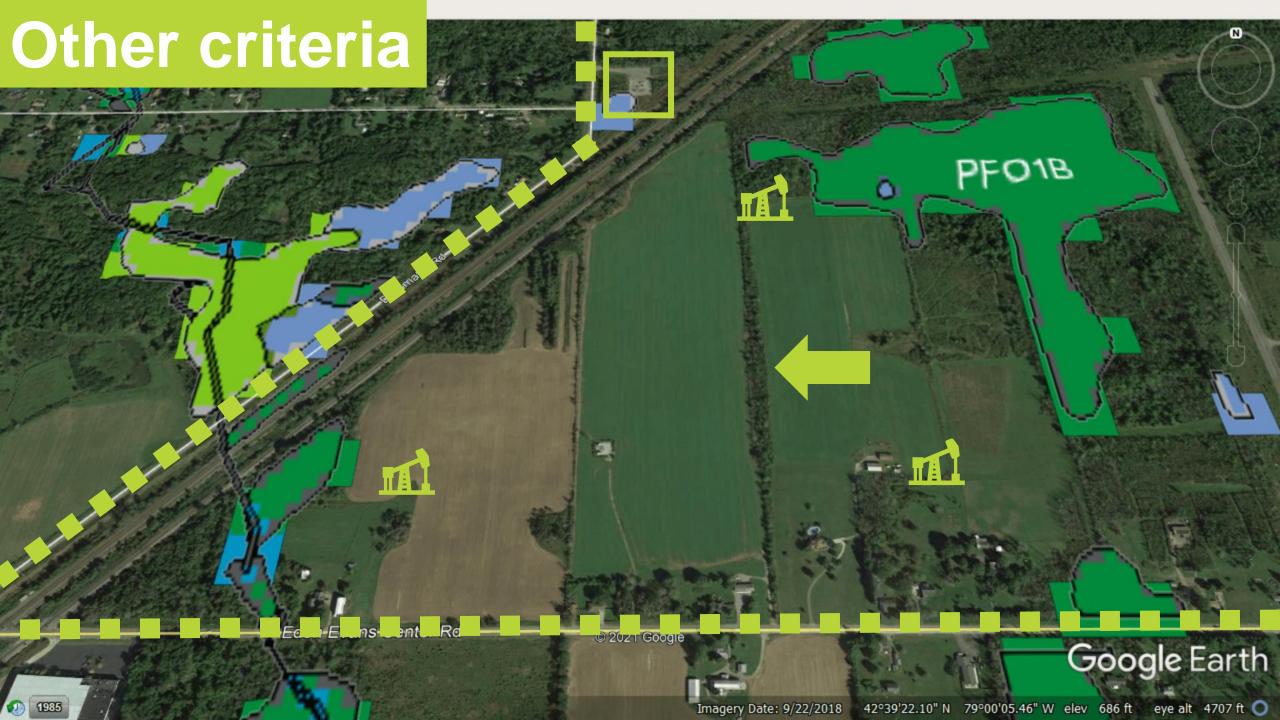


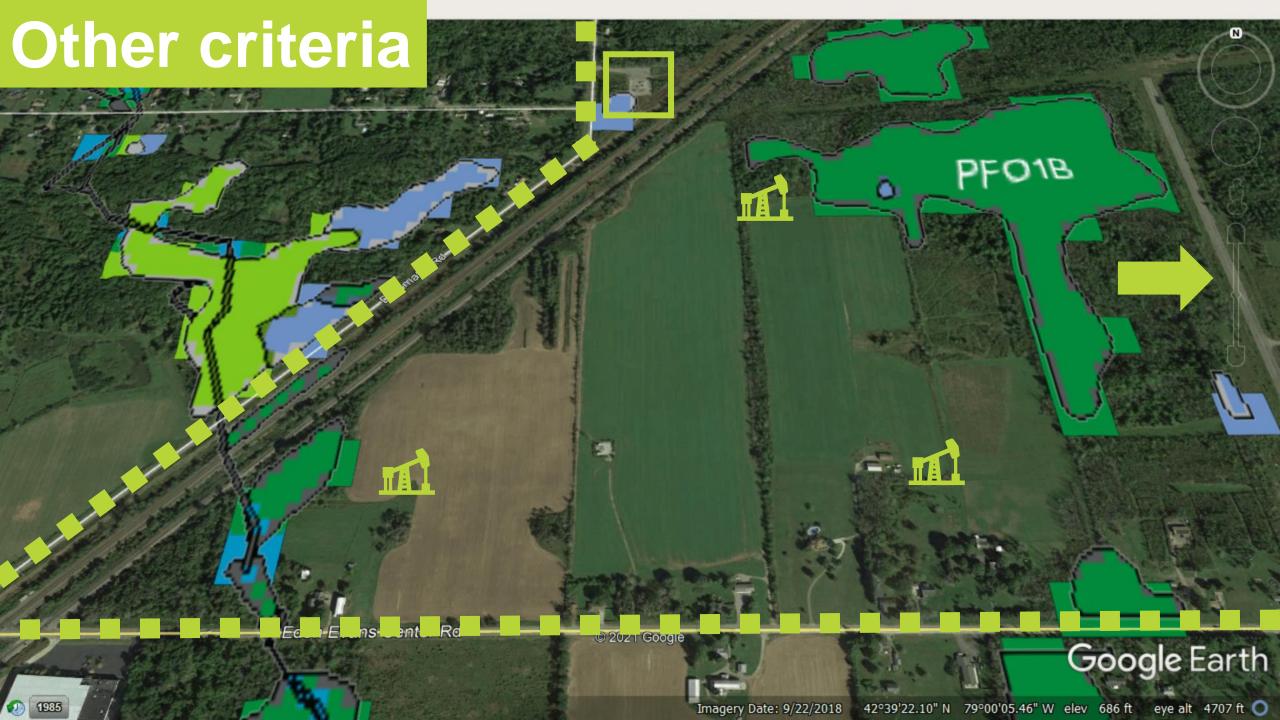


















• Either your acreage is *drilled* or *undrilled*.





- Either your acreage is drilled or undrilled.
- Is this the best design or layout?





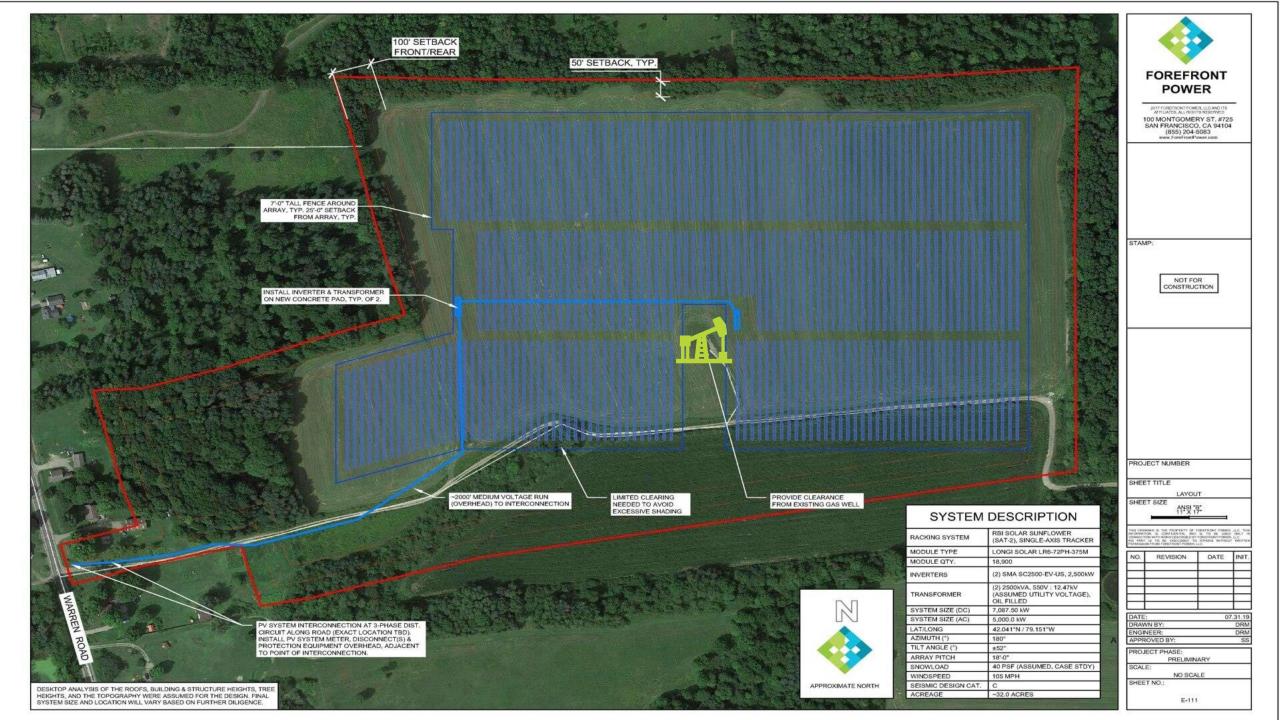
- Either your acreage is drilled or undrilled.
- Is this the best design or layout?
- How close is this to our surface operations?

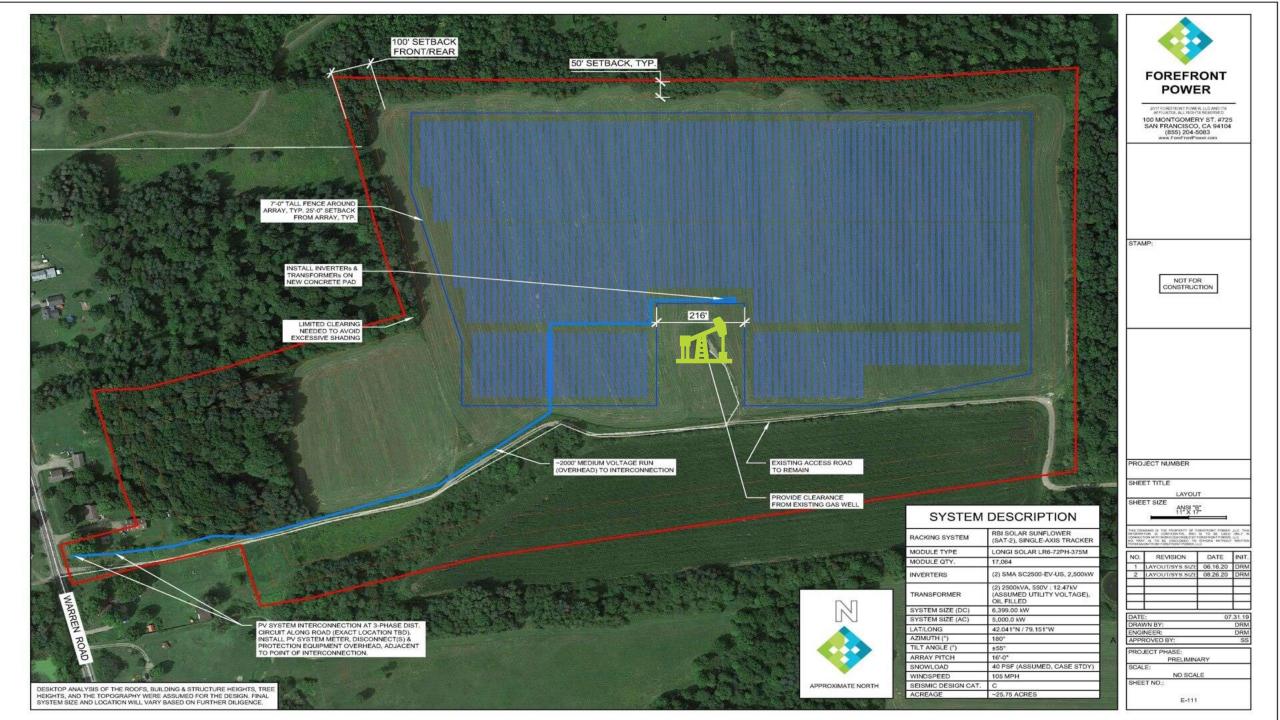


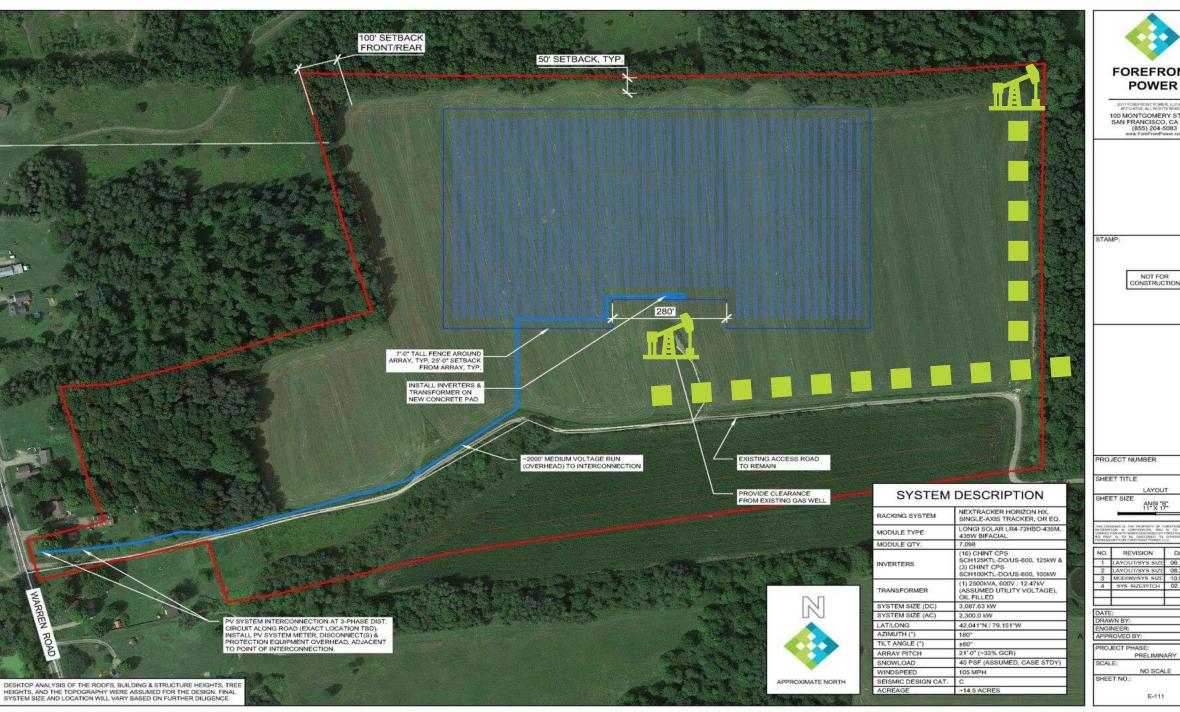


- Either your acreage is *drilled* or *undrilled*.
- Is this the best design or layout?
- How close is this to our surface operations?
- Do we have plans in the future for this area?
 - If so, can the solar company accommodate?









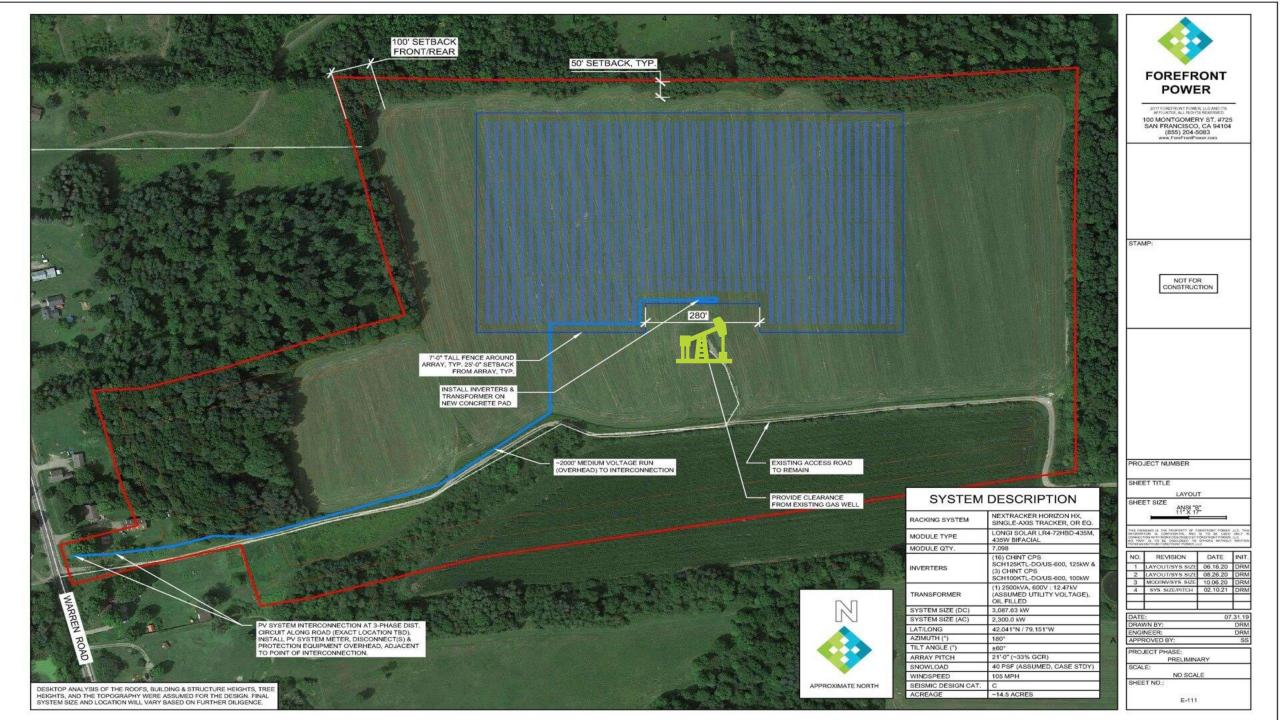


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NO.	REVISION	DATE	INIT.
1	LAYOUT/SYS.SIZE	06.16.20	DRM
2	LAYOUT/SYS SIZE	08.26.20	DRM
3	MOD/INV/SYS SIZE	10.06.20	DRM
4	SYS SIZE/PITCH	02.10.21	DRM

DATE:	07.31.19
DRAWN BY:	DRM
ENGINEER:	DRM
APPROVED BY:	SS

PRELIMINARY





Be Aware: Future Surface Use





Be Aware: Future Surface Use

 Do we need all or part of this area for future surface operations (e.g., pad site, pipeline)?





Be Aware: Future Surface Use

- Do we need all or part of this area for future surface operations (e.g., pad site, pipeline)?
- Is there a well already on the property?
 - If so, do we plan on reworking or plugging the well during the term of the solar lease?









Was our lease properly executed?





- Was our lease properly executed?
- Is our lease recorded with the county?





- Was our lease properly executed?
- Is our lease recorded with the county?
- Do we have lease priority?





- Was our lease properly executed?
- Is our lease recorded with the county?
- Do we have lease priority?
- Can the solar lease take priority?





• Do we own the minerals?





- Do we own the minerals?
- Can a solar developer force pool or involuntarily unitize mineral estate owners?





What about the Accommodation Doctrine?





- What about the Accommodation Doctrine?
 - Dominant estate is *not absolute*; does not apply "until minerals owners actually seek to develop their minerals."¹¹





- What about the Accommodation Doctrine?
 - Dominant estate is *not absolute*; does not apply "until minerals owners actually seek to develop their minerals."¹¹
 - Wind project footprint vs. solar project footprint

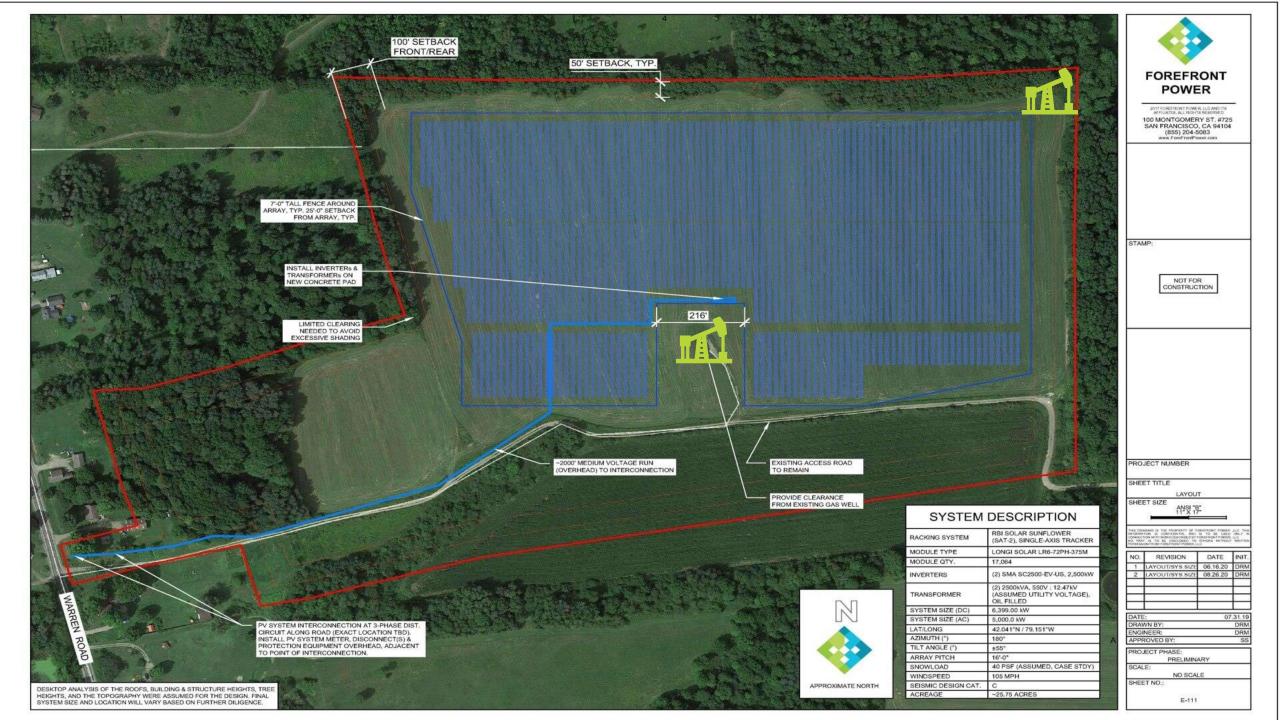


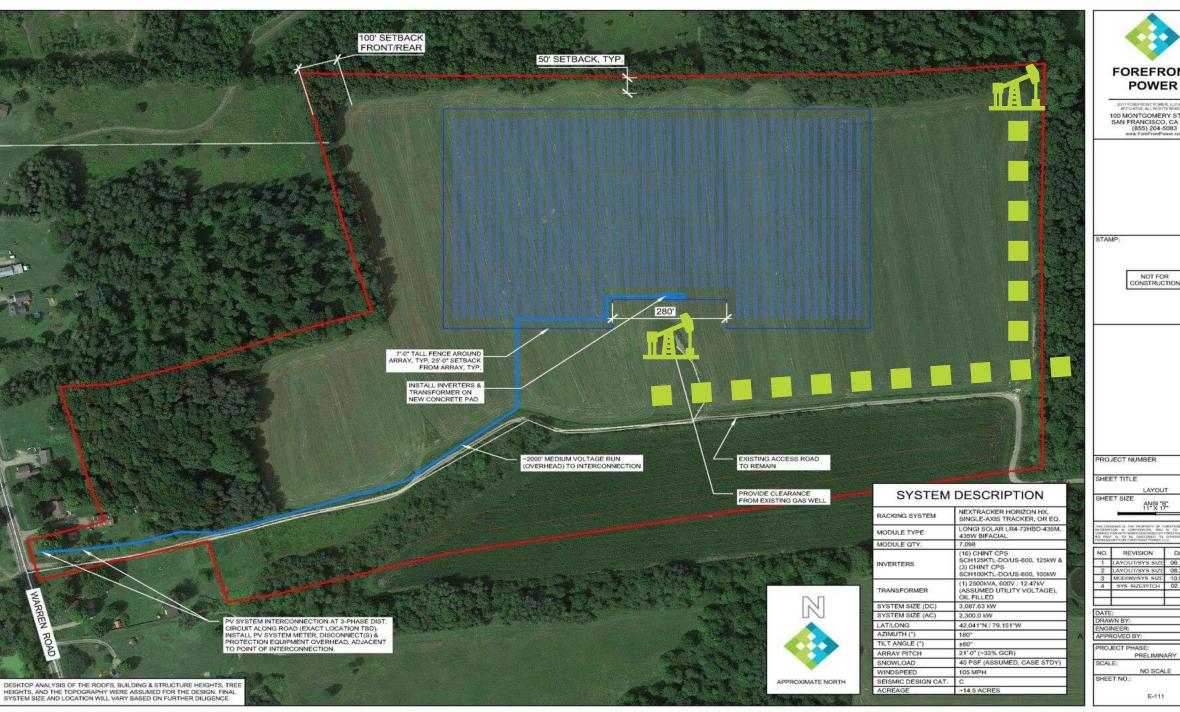
¹¹ Lyle v. Midway Solar, LLC, No. 08-19-00216-CV, 2020 Tex. App. LEXIS 10385 (Tex. App. – El Paso Dec. 30, 2020) at [*2].



 Ask the solar developer to leave surface acreage "open" for your future exploration and surface operations









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PRELIMINARY







Where is access to the solar site going?





- Where is access to the solar site going?
- Does the developer need to cross over any of our existing easements?





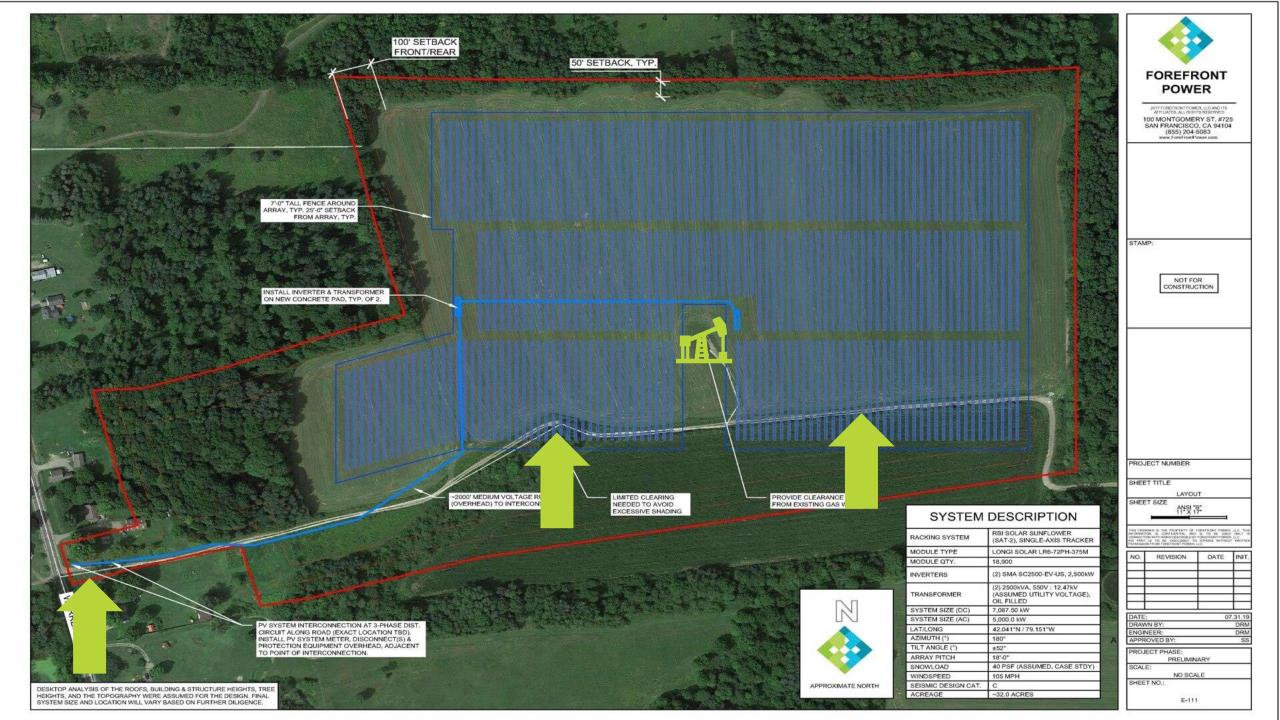
- Where is access to the solar site going?
- Does the developer need to cross over any of our existing easements?
- Can both parties share an access road?

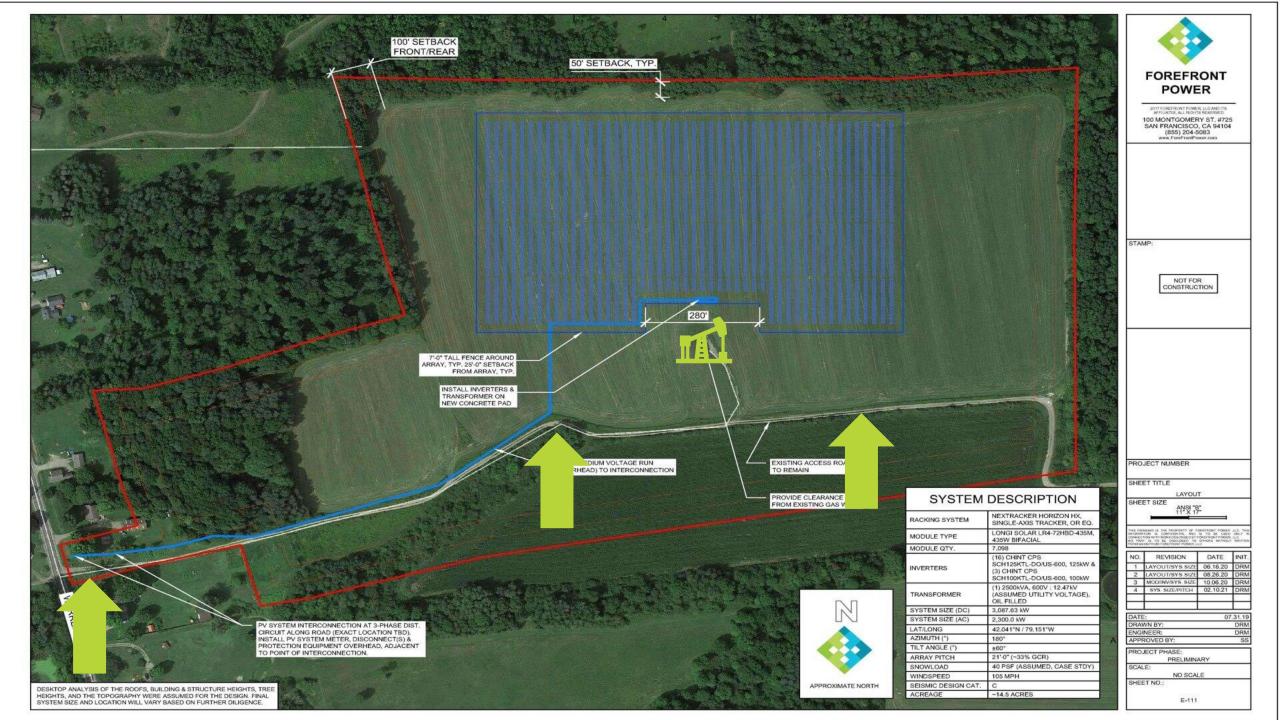




Where is their perimeter fence going?













Should we attend the public hearings?





- Should we attend the public hearings?
- How long does construction take?





• What if the solar developer *has not* approached our company, but they are trying to obtain their building permits from the local governing body?





- What if the solar developer *has not* approached our company, but they are trying to obtain their building permits from the local governing body?
 - Should we intervene? If so, how?





Be Aware: Decommissioning

- Is there a decommissioning agreement?
 - If so, is there a bond requirement?





Be Aware: Decommissioning

- Is there a decommissioning agreement?
 - If so, is there a bond requirement?
- What does our acreage look like once the solar lease expires?









Decline to participate





- Decline to participate
- Agreement with the solar developer;
 earn a price per acre
 - E.g., mutual use surface agreement





- Decline to participate
- Agreement with the solar developer;
 earn a price per acre
 - E.g., mutual use surface agreement
- Agreement + co-finance project





What about a solar JOA?





- What about a solar JOA?
- Where are the courts today?
 - It is early; case law is still developing across different markets; talk to your legal team.





 Does our company have broader clean energy or renewable electricity goals?





- Does our company have broader clean energy or renewable electricity goals?
 - If so, would a project like this help us reach that goal?





- Does our company have broader clean energy or renewable electricity goals?
 - If so, would a project like this help us reach that goal?
- Would there be positive PR for the company?





Questions?

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