

The cover features a green background with a white topographic map pattern. A dark grey rectangular box with a white border is centered on the page, containing the title text. A dark teal horizontal bar is positioned below the green background, partially obscured by the grey box.

2018 AAPL ANNUAL REPORT

AAPL publishes its Annual Report for the purpose of transparently sharing its operations and financial conditions with its membership. Inside, members will find a chronicle of the association's activities over the 2017-2018 fiscal year.



PRESIDENT'S MIDYEAR UPDATE

By Michel E. Curry, CPL
2018-2019 AAPL President

BY THE TIME THIS ARTICLE IS PUBLISHED, WE WILL BE HALFWAY THROUGH THE 2018-2019 FISCAL YEAR. I would like to take this opportunity to update the membership on the state of the association and some of the projects we are working on.

EDUCATION: The Education Committee, led by Chairman Michelle Aurzada, and Assistant Chairman Sarah Worsham, has been hard at work putting together the speakers and topics for AAPL's 65th Annual Meeting in Pittsburgh this coming June. The dual track program will include topics of interest to landmen regardless of geography as well as presentations for both early in career and advanced landmen, and skills presentations. The speakers and papers for 2019 comprise the strongest program AAPL has offered in many years. I'm extremely proud of the product that this group has put together.

In addition, we have been working on an initiative to provide the membership a for-credit — but absolutely free — online video once each month during lunchtime. The

exact day and time hasn't been decided, but the concept is that, for example, on the first Monday of each month, members can log on to the AAPL website and access a link to view the video, which will start around noon. This will provide an opportunity for members and their land staff to view a video presentation from the AAPL library and gain valuable information during the lunch hour. We are working on when and how we can deploy this service and are hopeful we can launch it by year-end.

CERTIFICATION: The Certification Committee, led by Chairman Dustin Bynum, and the Bylaws & Policy Committee, led by Chairman Kelly Kessler, have been tasked with reviewing the definition of "Qualifying Landwork" in connection with the criteria to sit for the RPL and CPL exams. Based upon their work, the board of directors was presented with a proposal that broadens the category of landmen who are eligible to sit for the certification exam by removing some barriers that no longer seem to make good sense. That item passed unanimously and is already being implemented. That

is one of several ways in which we are working to grow the number of landmen holding some type of certification while preserving the value of the professional recognition that certification embodies.

ADVOCACY: Landmen working in Ohio recently took a blow with the Ohio Supreme Court's decision in the *Dundics* case that landmen must hold a real estate license in order to provide land services in Ohio for compensation. AAPL has been working hard to influence legislative action to protect the right of landmen to work in Ohio, while at the same time ensuring that the Ohio public is protected. This is a long process and requires cooperation of many stakeholders. By the time that you read this, we hope to have legislation in place.

MEMBERSHIP: We have been going through the annual membership renewal process, and the numbers continue to look good. The headline is that AAPL is about where we were last year, which means that we should end the year with a number somewhere in the 16,000-plus range. That seems to be our sweet spot

Financial Position

for the near future, but we are always looking for ways to grow membership in a sustainable way.

ANNUAL MEETING: As mentioned, the 2019 Annual Meeting will be in Pittsburgh this coming June. Not only do we have a stellar education program planned, but lots of fun networking opportunities also will be available. At the time of this writing, we are working on some killer venues for the Welcome Reception and the Landman Bash that you won't want to miss. Look for details in the *Landman* magazine and on the website. Pittsburgh is a terrific destination with a modern downtown area and vibrant community. I can assure you that if you attend, you will not be disappointed.

November is budget month at AAPL, and we will be working on the 2019-2020 budget for presentation to the board of directors at its December meeting. Once the directors have had a chance to review the budget and we have made all the necessary adjustments, it will be submitted for final approval at the March meeting. The good news is that AAPL continues to be financially sound.

Following the November budget meetings, I will begin the last half of the year's presidential travels. I'm looking forward to meeting as many members as possible and attending as many local association meetings as we can schedule. My wife, Audrey, said after we spent time with the folks of the Michael Late Benedum and Northern Appalachian associations, "Landmen everywhere are just the best people." I tend to agree with her observation, and it's a fact of which I'm extremely proud. Thanks for your trust this year. I hope to see you soon. 🏠

Comparative Combined Statements of Financial Position

Excerpted from AAPL Combined Audit Report FYE June 30, 2018

**Year Ended
June 30 2018**

**Year Ended
June 30 2017**

ASSETS

Cash and Cash Equivalents	\$6,718,349	\$5,955,457
Accounts Receivable Prepaid and Other Assets	653,291	681,106
Property and Equipment, Net	4,974,415	5,245,587
Long-Term Investments	38,376,545	35,137,754
TOTAL ASSETS	\$50,722,600	\$47,019,904

LIABILITIES

Accounts Payable	\$563,118	\$618,320
Accrued Expenses	240,589	110,285
Unearned Revenue	1,792,800	1,850,533
Unearned NAPE Fees	2,003,847	1,991,072
TOTAL LIABILITIES	\$4,600,354	\$4,570,210

NET ASSETS

Unrestricted: Undesignated	\$45,959,968	\$42,386,994
Unrestricted : Designated	117,278	11,700
Unrestricted: Total	46,077,246	42,398,694
Permanently Restricted	45,000	51,000

TOTAL NET ASSETS **\$46,122,246** **\$42,449,694**

TOTAL LIABILITIES AND NET ASSETS **\$50,722,600** **\$47,019,904**

Financials - 2018 Revenue

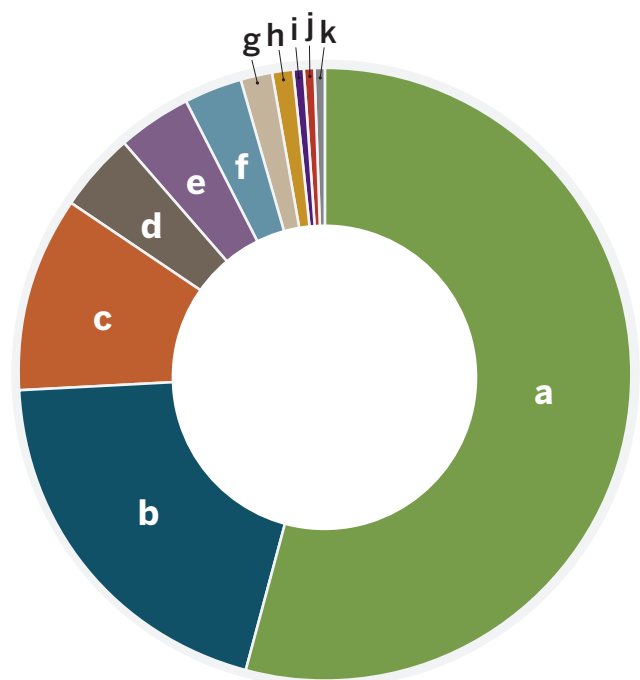
Comparative Combined Statements of Activities

Excerpted from AAPL Combined
Audit Report FYE June 30, 2018

	Year Ended June 30 2018	Year Ended June 30 2017	Percent Change
REVENUES AND OTHER SUPPORT			
Membership Dues	\$1,888,538	\$1,546,247	22.1
NAPE Expo	9,862,518	9,167,375	7.6
Certification Fees and Dues	119,475	47,475	151.7
Educational Seminar Fees	698,948	557,974	25.3
AAPL Annual Meeting	717,977	487,182	47.4
Advertising	287,020	295,481	(2.9)
Contributions	197,659	179,700	10.0
Royalty Income	120,072	49,767	141.3
Investment Income	589,858	533,692	10.5
Other	19,752	15,219	29.8
Realized and Unrealized Gain (Loss) on Investments	3,682,052	3,983,867	(7.6)
TOTAL REVENUES AND OTHER SUPPORT	\$18,183,869	\$16,863,979	7.8

REVENUES

	Percentages
(a) NAPE Expo	54.2%
(b) Realized and Unrealized Gain (Loss) on Investments	20.2%
(c) Membership Dues	10.4%
(d) AAPL Annual Meeting	3.9%
(e) Educational Seminar Fees	3.8%
(f) Investment Income	3.2%
(g) Advertising	1.6%
(h) Contributions	1.1%
(i) Royalty Income	0.7%
(j) Certification Fees and Dues	0.7%
(k) Other	0.1%

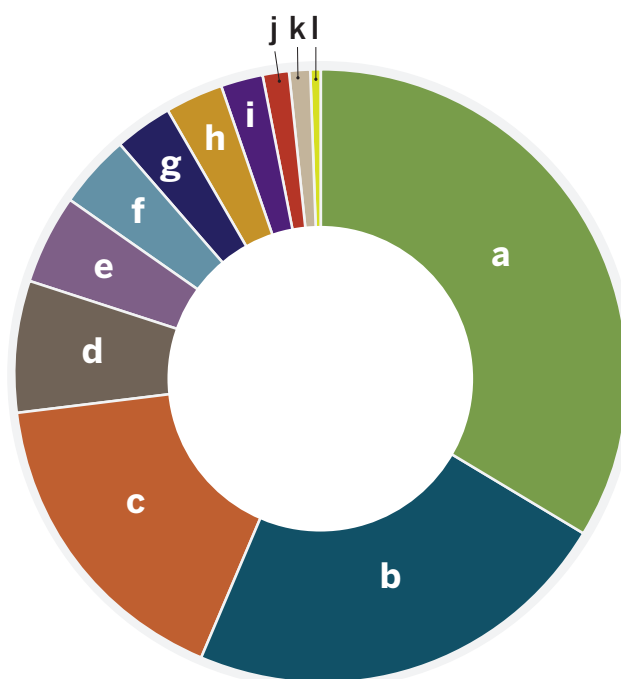


Financials - 2018 Expenses

Comparative Combined Statements of Activities

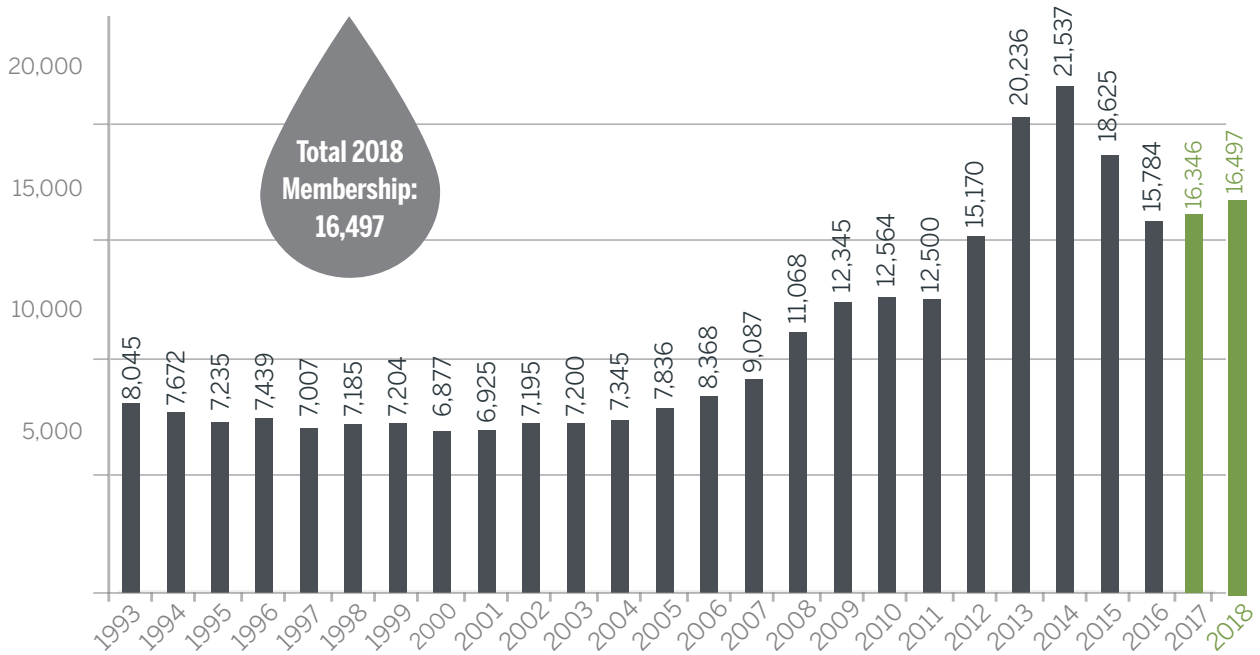
<i>Excerpted from AAPL Combined Audit Report FYE June 30, 2018</i>	Year Ended June 30 2018	Year Ended June 30 2017	Percent Change
EXPENSES			
Salaries and Benefits	\$2,735,839	\$3,170,813	(13.7)
NAPE Expo	4,025,596	3,378,717	19.1
Annual Meeting Expense	548,859	541,379	1.4
Magazines and Directory	366,464	352,034	4.1
Seminars	459,195	301,605	52.3
Scholarships	172,651	142,550	21.1
Committees, Meetings and Programs	140,517	128,588	9.3
Travel and Entertainment	260,408	251,744	3.4
Grant Expense	841,003	180,675	365.5
Depreciation and Amortization	377,590	457,938	(17.5)
State Income Tax	27,138	28,221	(3.8)
General and Administrative	1,977,851	1,889,737	4.7
TOTAL EXPENSES	\$11,933,111	\$10,824,001	10.2
Change in Net Assets			
Net Assets at Beginning of Year	\$6,250,758	\$6,039,978	3.5
Partnership Distributions	42,449,694	38,596,569	10.0
Partnership Distributions	(2,578,206)	(2,186,853)	17.9
NET ASSETS AT END OF YEAR	\$46,122,246	\$42,449,694	8.7

EXPENSES	Percentages
(a) NAPE Expo	33.7%
(b) Salaries and Benefits	22.9%
(c) General and Administrative	16.6%
(d) Grant Expense	7.0%
(e) Annual Meeting Expense	4.6%
(f) Seminars	3.8%
(g) Depreciation and Amortization	3.2%
(h) Magazines and Directory	3.1%
(i) Travel and Entertainment	2.2%
(j) Scholarships	1.4%
(k) Committees, Meetings and Programs	1.2%
(l) State Income Tax	0.2%



Membership

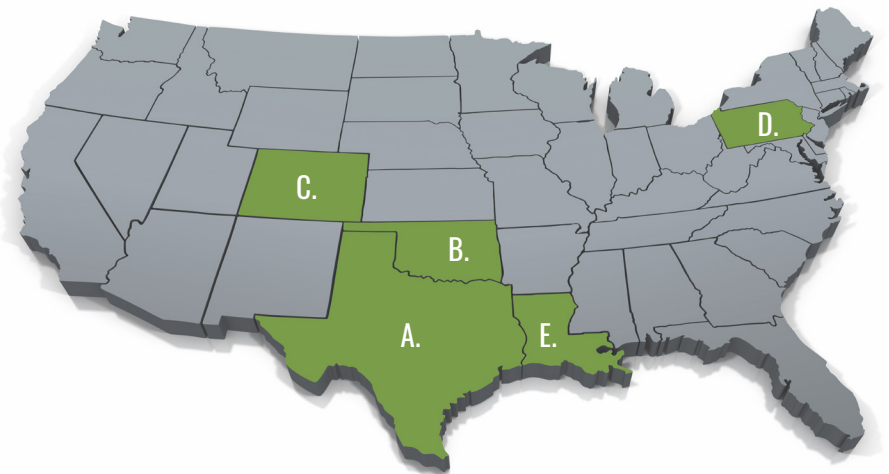
ANNUAL MEMBER COUNT [SINCE 1993]



GOLD MEMBERS. AAPL has over 115 members who have been members for over 50 years.

MEMBERSHIP GEOGRAPHICAL DISTRIBUTION

Top 5 States	Count	Percent
(a) Texas	7,754	47.0
(b) Oklahoma	2,359	14.3
(c) Colorado	1,221	7.4
(d) Pennsylvania	1,056	6.4
(e) Louisiana	940	5.7
(f) All others	3,167	19.2

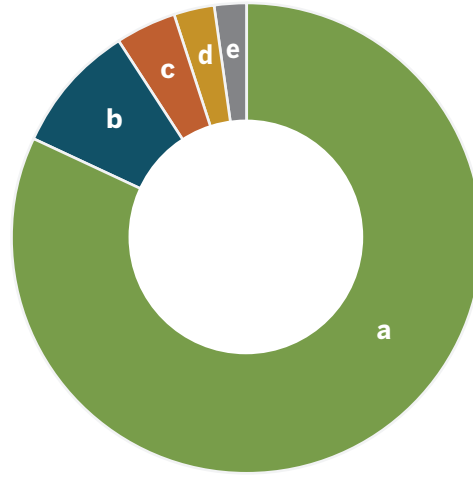


MEMBERSHIP BY AGE



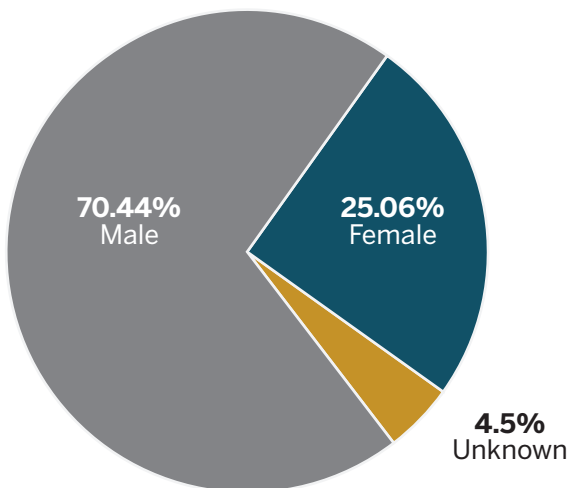
Membership Age	Count	Percent
(a) Under 20 years	73	0.44
(b) 20-29 years	1312	7.95
(c) 30-39 years	4867	29.50
(d) 40-49 years	2286	13.86
(e) 50-59 years	2008	12.17
(f) 60+ years	4632	28.08
(g) Unknown	1320	7.99

MEMBERSHIP BY TYPE



Membership Type	Count	Percent
(a) Active	14,053	85.2
(b) Associate	1,577	9.6
(c) Student	680	4.1
(d) Senior	133	0.8
(e) Retired CPL	54	0.3

MEMBERSHIP BY GENDER

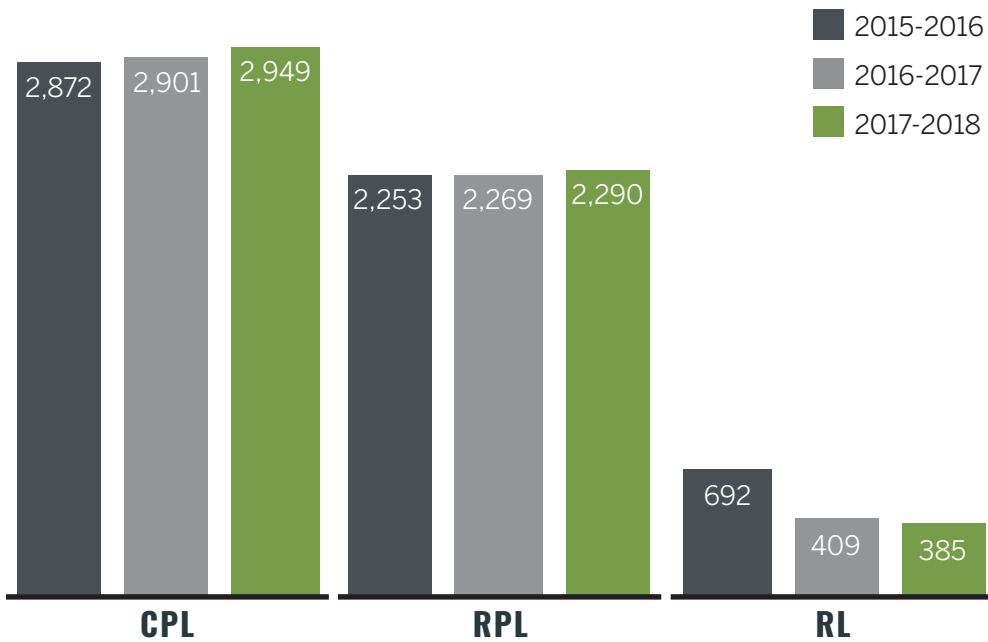


Gender	Count	Percent
Male	11,620	70.44
Female	4,134	25.06
Unknown	742	4.50

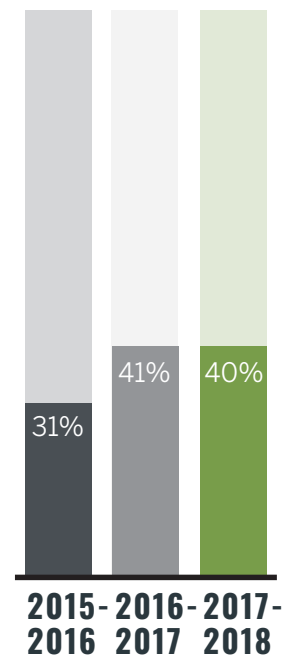
Certification & Education

All certification applications are now completed through an online process, and additional testing opportunities are planned to be offered in 2018-2019 for greater convenience to our members. As demonstrated, about 40 percent of 14,075 eligible members currently hold a designation.

Certification Count



Percentage of Eligible Members with a Designation



Education

AAPL's Education program expanded the number of seminars provided from the prior year, as seen in the graphs below. And while the 2017-18 number of unique seminars has stayed relatively flat compared to last year, much of the work done during this fiscal year focused on developing content and vetting speakers to expand the education program.





Education Class Locations

37 cities across the U.S.



Member Benefits

AAPL offers a multitude of benefits designed to help members create more business opportunities, stay competitive in a fast-changing industry, enhance credibility and advance our profession as a whole.

STEWARDSHIP

- Professional Certification Program
- Code of Ethics and Standards of Practice

FINANCIAL SUPPORT

- Tuition Assistance (\$15,000 annually)
- Educational Foundation Inc. Disaster Relief Assistance (\$500,000-plus)
- LST Student Scholarships (\$200,000-plus annually)
- LST Student Memberships (\$14,000-plus annually)

PROFESSIONAL DEVELOPMENT

- Education Seminars (60-plus annually)
- Webinar and Video Seminars
- Advisory Landman Connection Program
- Field Landman Survival Guide
- Independent Contractor Toolkit

DISCOUNTS & GROUP INSURANCE

- Car rentals (Hertz, Alamo, National)
- Hotels (Extended Stay America)
- Group health insurance (GeoCare)
- Errors & Omissions Insurance

ADVOCACY

- Job and resume posts (Landnews)
- Amicus Briefs and support letters
- Legislation sponsorship
- Leg/Reg and judicial reporting
- Tax issues

INDUSTRY LEADERSHIP

- AAPL Model Forms (JOA, MLS)
- Company Partner Recognition Program
- IPAA/PESA Student Program (\$50,000 annually)
- NAPE Expo Charities (gifts of \$150,000-\$300,000 annually)
- NAPE Expo LP (providing worldwide marketplace)

INDUSTRY INFORMATION

- Landman magazine
- Landline (electronic newsletter)
- Membership Directory
- Landnews (online forum)
- Ambassador Toolkit

Leadership

EXECUTIVE COMMITTEE

President: Michel E. Curry, CPL
First Vice President: Jay W. Beavers III, CPL
Second Vice President: Cranford D. Newell Jr., CPL
Third Vice President: Aaron R. Yost, CPL

Secretary: Charles (Chuck) D. Walton Jr., CPL
Treasurer: Michael A. Pisciotte, CPL
Immediate Past President: David W. Miller, CPL

LOCAL ASSOCIATION DIRECTORS

Alaska: Jason Lyons, RPL
Ark-La-Tex: Paul Wood
Austin: D. VanderPloeg II, CPL
Bakersfield: Christin L. Faber, RPL
Baton Rouge: Ric Bajon, RPL
Black Warrior: Kyle Reynolds
Canada: Larry Buzan
Canada: Nikki Sitch
Corpus Christi: Jim T. Devlin, CPL
Dallas: Jerry D. Padilla, CPL
Denver: Shelly S. Albrecht, CPL
East Texas: Kevin Halbert, CPL
Fort Smith: Dustin E. Hamlett, RPL
Fort Worth: Blaine E. Gamble, CPL
Houston: Alan H. Morgan, CPL
Lafayette: Richard A. Hines, CPL
Los Angeles: Randall Taylor, RPL
Michael Late Benedum: Christa Dotson, RPL
Michigan: Steven N. Rapanos, CPL
Mississippi: Hubert F. Green III, RPL
Montana: John R. Lee, RPL
Nevada: Ryan C. Bensing, RPL
New Mexico: Nick C. McClelland, CPL
New Orleans: Ryan G. Schneider
North Dakota: Michael A. Dewald, RPL
North Houston: Travis Hill, RPL
North Texas: Terry P. Caves, CPL
Northern Appalachian: Patrick L. Spindler, CPL
Oklahoma City: Nick Watkins, CPL
Panhandle: Tyler Rathbun, RPL
Permian Basin: Danny M. Kidwell, CPL/ESA
Rocky Mountain: Ryan C. Bensing, RPL
San Antonio: Clark Hood, CPL
San Juan Basin: William "Bill" Hackett
Southern Appalachian: Dan Kostrub
Southern Oklahoma: David W. Potts
Tri-State: Jay A. Ritter, CPL
Tulsa: Adam W. Robinson, CPL
Utah: Justin C. Rammell
Virginia: John C. Krogmann Jr., CPL
West Houston: Emily G. Beard
Wichita: Will Boone, CPL
Wyoming: David Carpenter, RPL

COMMITTEE CHAIRS

Accreditation: Dan B. Kostrub
Advisory Landman Connection: Fred Schantz
Annual Meeting: Mark A. Acree, CPL
Awards: Bob N. Bergfeld Sr., CPL
Bylaws & Policy Manual Review: Kelly Kessler, CPL
Certification: Dustin T. Bynum, CPL
Council of Past Presidents (COPP): Roger A. Soape, CPL
Education: Michelle Aurzada
Ethics: Sean W. Marshall, CPL
Field Landman: Robert N. Bergfeld Jr., CPL
Finance: Jay W. Beavers III, CPL
Forms: Jerris E. Johnson, CPL
Industry/Public Relations: Matt W. Smith, CPL
Investment Advisory: Jay W. Beavers III, CPL
Legislative/Regulatory: Curt D. Horne, CPL
Marketing: Will L. Porter, CPL
Membership: Bhavin K. Naik, CPL
NAPE Advisory Board: Steve D. Wentworth, CPL
NAPE Management Committee: Michel E. Curry, CPL
NAPE Operators Committee: Jim T. Devlin, CPL
Nominating Subcommittee: Pamela D. Feist, CPL
Public Lands & Access: Greg J. Geist, CPL
Publications: Jared A. Hembree
Strategic Planning: Jay W. Beavers III, CPL
Tax Issues: Jimmy Wright, CPL
Technology: Kevin R. Dickerson, CPL

AFFILIATED ENTITIES CHAIRS

AAPL Educational Foundation, Inc.: Aaron R. Yost, CPL
Landman Scholarship Trust: Cranford D. Newell Jr., CPL

TASK FORCE CHAIRS

Committee Needs Assessment
Professional Paper Task Force: Mark B. Eppes, CPL

INDUSTRY REPRESENTATIVES

Energy & Mineral Law Foundation: Michael O. Conley, CPL
GeoCare Insurance: Jane R. Crouch, CPL
International Oil Scouts: Pam K. Florek
LSU Mineral Law Foundation: Harold J. Anderson, CPL/ESA
Outer Continental Shelf: Marty Tate
RMML Foundation: Marc R. Strahn, CPL
Southwest Land Institute: Brooks Yates, CPL