

Excerpt:

The following is from the June 3, 2008, edition of *Platts*. Joseph Dancy, who lectures on oil and gas leasing at SMU's Dedman School of Law, provided expertise for this story.

Louisiana landowners put mineral rights on eBay

Want to get in on the next hot shale play but haven't the time, connections or land to make it work? Through Internet auction site eBay, investors can now buy 100% of the mineral rights on some land in Louisiana's Haynesville Shale for prices starting at \$5,000/acre.

Paul Hoenke, a Minden, Louisiana, accountant, has organized about 50 landowners in Bienville, Webster and Claiborne parishes to sell the mineral rights on 16,000 acres on eBay.

The group's listing went live late last week and has already generated 500 hits "and a ton of e-mail," Hoenke said Monday.

Southern Methodist University law professor Joseph Dancy, who lectures on oil and gas leasing at SMU's School of Law, couldn't find anything wrong with it, either. "This could be a unique way to market your property instead of waiting for the landmen to come to you."

Dancy said any investors should remember that they are buying a piece of real property and should rely on a lawyer to draft a written agreement and a title search to confirm the rights haven't been severed or split. "It's pretty creative," Dancy said. "It's pretty cool."

Dancy also thought it would be a way for landowners to ascertain what the real market value of their mineral rights would be, rather than just take a landman's first offer. "Put it on eBay; determine the fair market value, especially with shale and all its fracing and horizontal drilling. Test the market — what is the fair market value for your property?"

[Read the full story.](#) (PDF)

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