

AAPL'S 70TH ANNUAL MEETING



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AAPL'S 70th ANNUAL MEETING ▲ JUNE 19-21, 2024

LANDMEN, AI AND ETHICS – OH, MY!

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What is Artificial Intelligence (AI)?

- IBM: On its own or combined with other technologies (e.g., sensors, geolocation, robotics) AI can perform tasks that would otherwise require human intelligence or intervention. Digital assistants, GPS guidance, autonomous vehicles, and generative AI tools (like Open AI's Chat GPT) are just a few examples of AI in the daily news and our daily lives.

What is a chatbot?

- Oxford English Dictionary: a computer program designed to simulate conversation with human users, especially over the internet.
- IBM: A chatbot is a computer program that simulates human conversation with an end user. Not all chatbots are equipped with artificial intelligence (AI), but modern chatbots increasingly use conversational AI techniques such as natural language processing (NLP) to understand user questions and automate responses to them.

How might AI be used in land work?

- Contract Management – AI can Review and manage contracts to identify important information and flag key terms/provisions.
- Due Diligence – AI can assist in the review of large numbers of documents for A&D transactions.
- Document Analysis – AI can read and read and understand instruments, deed records, oil and gas leases, runsheets and ownership reports, as well as extract data.

How might AI be used in land work?

- Run Title: AI read each document, and link documents together, effectively running title.
- Draft Reports: AI can generate extensive summaries and detailed reports based upon title analysis.
- Plot Mineral Tracts: AI can read legal descriptions and plot tracts on a map.

Examples of AI

- Generative AI
 - ChatGPT (OpenAI)
 - Bard (Google)
 - Adobe Firefly
- AI for Landmen
 - Landman.ai

Landman.ai

- **Step 1: Ingest your Documents**
 - Upload all of your documents, our AI can read and understand: Instruments, Deed Records, Oil and Gas Leases, Runsheets, Ownership Reports, Title Opinions and any other document you'd find in land work.
- **Step 2: AI runs your Title**
 - AI crawls through every document extracting the important data and linking documents together in a structured way. AI does the data entry and analysis work for you at a speed and accuracy rivaling humans.

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- **Step 3: AI Extracts Insights, Summaries, and Reports**
 - Benefit from the power of AI as it generates valuable insights, extensive summaries, and detailed reports, enabling well-informed decision-making and strategic planning.
- **Step 4: AI Plots Your Mineral Tracts on a Map**
 - Our AI reads land legal descriptions, including metes and bounds, and automatically plots mineral tracts on a map, providing you with a clear visual representation of your assets and their geographic locations.

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- **Step 5: Manage All Your Future Tasks on Web, Mobile and Tablet**
 - AI does 80% of the low level work for you. You do 20% of the decision-making in a well designed web application that also works well on mobile. Designed for the best possible user experience, landman.ai enables your staff to draft leases, calculate ownership, produce division orders, produce run sheets, and perform most land work at a central location eliminating re-work.

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Pros and Cons to Use of AI

- Pros
 - Processing and reviewing thousands of documents in seconds
 - Quickly draft documents and correspondence
 - Saving time and automating repetitive tasks
- Cons
 - Use as a replacement rather than a tool
 - Blindly accepting the output
 - Failing to comply with ethical obligations

Possible Pitfalls of Using AI

- Document Analysis
 - Analyzing title instruments may lead to incorrect conclusions:
 - Incorrect surface or mineral owners
 - Incorrect analysis of the nature and quantum of interest
 - Incorrect royalty rates or nature of the royalty
 - Incorrect analysis of lease clauses

Possible Pitfalls of Using AI

- Running Title
 - Missed breaks or gaps in the chain of title
 - Missed mineral reservations or conveyances
 - Missing divorces or probates

Anything a landman can miss AI can also miss.

Possible Pitfalls of Using AI

- Draft Reports
 - Incorrect interpretation
 - Missing or incorrect comments as to steps that must be taken to clear title
 - Missed HBP or lease maintenance issue

Possible Pitfalls of Using AI

- Plotting Mineral Tracts
 - Incorrect or incomplete legal descriptions
 - Incorrect acreage quotation contained in leases
 - Misinterpretation of calls

LANDMAN Article Generated By Chat GPT

- Enhancing Efficiency and Addressing Risks: The Impact of ChatGPT and Language Learning Modules for Oil and Gas Landmen

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Article Prompt

- Write a 3,000 word count magazine article about the benefits and risks of using ChatGPT or other language learning modules for employees of companies and for independent contractors. Tailor the article to incorporate ways oil and gas landmen may use large language model applications for their workflows, including drafting oil and gas leases, deeds, assignments, or ownership reports of mineral ownership and surface ownership.

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Introduction

- In the rapidly evolving landscape of technological advancements, language learning modules such as ChatGPT have emerged as valuable tools for employees and independent contractors across various industries. This article explores the benefits and risks associated with the utilization of these language learning modules, with a specific focus on the oil and gas landmen profession. We delve into how ChatGPT and similar large language models can enhance workflows for drafting oil and gas leases, deeds, assignments, and ownership reports of mineral and surface ownership. We also address the potential risks and challenges that arise with their implementation.

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Benefits of ChatGPT for Oil and Gas Landmen

1. Improved Efficiency and Productivity:

One of the significant benefits of using ChatGPT for oil and gas landmen is the potential to streamline workflows and improve overall efficiency. With the ability to generate accurate and coherent drafts of various legal documents, landmen can save significant time in the document creation process. These language learning modules can quickly generate comprehensive and technically precise documents, allowing landmen to focus on higher-value tasks.

Benefits of ChatGPT for Oil and Gas Landmen

2. Enhanced Accuracy and Consistency:

Language learning modules, such as ChatGPT, have the potential to reduce human error and improve document accuracy. By leveraging the vast amount of data and training behind these models, landmen can obtain more consistent and standardized outputs. This is especially crucial in the oil and gas industry, where precision and adherence to legal requirements are paramount.

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Benefits of ChatGPT for Oil and Gas Landmen

3. Increased Access to Legal Expertise:

For independent contractors and smaller companies, access to legal expertise can be limited due to budgetary constraints. Language learning modules can act as virtual legal assistants, providing valuable guidance and suggestions during the drafting process. They can help landmen navigate complex legal jargon, ensuring that documents are legally sound and aligned with industry best practices.

Benefits of ChatGPT for Oil and Gas Landmen

4. Facilitating Knowledge Transfer and Learning:

ChatGPT and similar language learning modules also have immense potential for knowledge transfer within the industry. Experienced landmen can use these tools to capture their expertise and share it with new professionals. By analyzing the outputs of the language models, new landmen can gain insights into best practices, industry-specific terminology, and legal nuances.

Risks and Challenges

1. Legal and Ethical Considerations:

The use of language learning modules raises concerns regarding the legal and ethical implications of automated document generation. It is crucial for landmen and organizations to ensure that the generated content complies with all applicable laws and regulations. Additionally, the responsibility of validating the accuracy and legality of the output falls on the users, emphasizing the need for thorough review and oversight.

Risks and Challenges

2. Potential Bias and Misinterpretation:

Language models are trained on vast amounts of data from the internet, which may include biased or inaccurate information. This can result in unintended biases or misinterpretations in the generated content. Landmen must exercise caution and critically evaluate the outputs to avoid incorporating any misleading or discriminatory language in legal documents.

Risks and Challenges

3. Data Security and Privacy:

Utilizing language learning modules involves sharing sensitive legal information with external platforms or cloud services. Protecting confidential client data and ensuring compliance with data privacy regulations are critical considerations. Landmen and organizations must carefully evaluate the security measures implemented by the language learning module providers and implement additional safeguards as necessary.

Risks and Challenges

4. Loss of Human Interaction:

While language learning modules can streamline workflows, they cannot fully replace the expertise and nuanced judgment of human professionals. The reliance on automation may result in a loss of personal interaction and the ability to adapt to unique circumstances. Landmen must strike a balance between utilizing language learning modules for efficiency and preserving the value of human expertise in complex legal matters.

What can't ChatGPT do for a Landman?

1. Replace Legal Expertise:

ChatGPT is an AI language model designed to provide information and suggestions based on patterns and data it has been trained on. However, it does not possess the same level of legal expertise as a qualified attorney or Landman. When it comes to complex legal matters, it is crucial to consult legal professionals who have specialized knowledge and experience in the field.

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What can't ChatGPT do for a Landman?

2. Substitute for Personal Experience and Judgment:

ChatGPT can provide insights based on existing data, but it does not have personal experience or contextual understanding. Landmen bring their expertise, industry knowledge, and judgment to their work, which cannot be replicated by an AI model. The human element is essential in making nuanced decisions and considering unique circumstances.

What can't ChatGPT do for a Landman?

3. Replace Fieldwork and Site Visits:

While ChatGPT can provide information and analysis based on available data, it cannot replace the need for physical fieldwork and site visits. Assessing the condition of the land, identifying potential environmental concerns, and understanding local factors require on-site inspections and firsthand observations that cannot be accomplished through an AI model.

What can't ChatGPT do for a Landman?

4. Guarantee Real-Time Data Accuracy:

ChatGPT relies on the data it has been trained on, and its responses are based on patterns and information available up until its last update. Real-time changes in land ownership, lease agreements, regulations, and other factors may not be immediately reflected in ChatGPT's responses. Landmen must verify the accuracy and currency of information by cross-referencing multiple sources and engaging in ongoing research.

What can't ChatGPT do for a Landman?

5. Handle Sensitive or Confidential Information:

While ChatGPT aims to maintain user privacy and confidentiality, there is always a risk when dealing with sensitive information. Landmen must exercise caution when sharing confidential or proprietary data through any platform, including AI models like ChatGPT. It's crucial to adhere to legal and ethical guidelines to safeguard the privacy and security of sensitive information.

AAPL Code of Ethics and Standards of Practice

- Article XVI Code of Ethics
 - The Code of Ethics shall be the basis of conduct, business principles and ideals for the members of AAPL
- Standards of Practice
 - The Standards of Practice is a standard of professional conduct used as a guidance of principles and ideals mandated by the Code of Ethics within the APL bylaws.

AAPL Code of Ethics and Standards of Practice - Competence

- Article XVI, Section 2:
 - The Land Professional shall represent others only in his areas of expertise and shall not represent himself to be skilled in professional areas in which he is not qualified.
- Standards of Practice (D):
 - Performance of professional services in a competent manner.

AAPL Code of Ethics and Standards of Practice - Communication

- Article XVI, Section 1:
 - It shall be the duty of the Land Professional at all times to promote and, in a fair and honest manner, represent the industry to the public at large with the view of establishing and maintain goodwill between the industry and the public and among industry parties.
- Standards of Practice (A):
 - Fair and honest dealing with landmen, industry associates and the general public so as to preserve the integrity of the profession.

AAPL Code of Ethics and Standards of Practice - Confidentiality

- Article XVI, Section 2:
 - A Land Professional shall not betray his partner's, employer's or client's trust by directly turning confidential information into personal gain.
- Standards of Practice (C):
 - Avoiding business activity which may conflict with the interest of his employer or client, or result in the unauthorized disclosure or misuse of confidential information.

AAPL Code of Ethics and Standards of Practice – Candor in Dealings

- Article XVI, Section 1:
 - The Land Professional in his dealing with landowners, industry parties and others outside the industry shall conduct himself in a manner consistent with fairness and honesty, such as to maintain the respect of the public.
- Standards of Practice (A)
 - Fair and honest dealing with landowners, industry associates and the general public so as to preserve the integrity of the profession.

AAPL Code of Ethics and Standards of Practice – Duty to Supervise

- Article XVI, Section 2:
 - The Land Professional shall exercise the utmost good faith to his employer (or client) and shall not act adversely or engage in any enterprise in conflict with the interest of his employer (or client). Further, he shall act in good faith in his dealings with industry associates.
- Standards of Practice (G):
 - Avoiding any act or conduct which causes disrespect for or lack of confidence in the member to act professionally as a Land Professional.

So, what could possibly go wrong?

- AI Hallucinations
 - AI hallucinations occur when an AI model generates incorrect or misleading information that it presents as fact. This can happen when the model fabricates details from data. AI hallucinations can manifest in a number of ways, including:
 - Language models: Generating nonsensical text
 - Legal documents: Fabricating documents

So, what could possibly go wrong?

- The lawsuit began like so many others: A man named Roberto Mata sued the airline Avianca, saying he was injured when a metal serving cart struck his knee during a flight to Kennedy International Airport in New York.
- When Avianca asked a Manhattan federal judge to toss out the case, Mr. Mata's lawyers vehemently objected, submitting a 10-page brief that cited more than half a dozen relevant court decisions. There was Martinez v. Delta Air Lines, Zicherman v. Korean Air Lines and, of course, Varghese v. China Southern Airlines, with its learned discussion of federal law and “the tolling effect of the automatic stay on a statute of limitations.”

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So, what could possibly go wrong?

- There was just one hitch: No one — not the airline's lawyers, not even the judge himself — could find the decisions or the quotations cited and summarized in the brief.
- That was because ChatGPT had invented everything.
- The lawyer who created the brief, Steven A. Schwartz of the firm Levidow, Levidow & Oberman, threw himself on the mercy of the court on Thursday, saying in an affidavit that he had used the artificial intelligence program to do his legal research — “a source that has revealed itself to be unreliable.”

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So, what could possibly go wrong?

- Mr. Schwartz, who has practiced law in New York for three decades, told Judge P. Kevin Castel that he had no intent to deceive the court or the airline. Mr. Schwartz said that he had never used ChatGPT, and “therefore was unaware of the possibility that its content could be false.”
- He had, he told Judge Castel, even asked the program to verify that the cases were real.
- It had said yes.
- Mr. Schwartz said he “greatly regrets” relying on ChatGPT “and will never do so in the future without absolute verification of its authenticity.”

So, what could possibly go wrong?

- Judge Castel said in an order that he had been presented with “an unprecedented circumstance,” a legal submission replete with “bogus judicial decisions, with bogus quotes and bogus internal citations.” He ordered a hearing for June 8 to discuss potential sanctions.
- As artificial intelligence sweeps the online world, it has conjured dystopian visions of computers replacing not only human interaction, but also human labor. The fear has been especially intense for knowledge workers, many of whom worry that their daily activities may not be as rarefied as the world thinks — but for which the world pays billable hours.

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So, what could possibly go wrong?

- Stephen Gillers, a legal ethics professor at New York University School of Law, said the issue was particularly acute among lawyers, who have been debating the value and the dangers of A.I. software like ChatGPT, as well as the need to verify whatever information it provides.
- “The discussion now among the bar is how to avoid exactly what this case describes,” Mr. Gillers said. “You cannot just take the output and cut and paste it into your court filings.”
- The real-life case of Roberto Mata v. Avianca Inc. shows that white-collar professions may have at least a little time left before the robots take over.

So, what could possibly go wrong?

- The lawyers who ridiculously did not check the citations ChatGPT gave them, and when called on it, doubled down with having ChatGPT make up the matching opinions, have now been sanctioned: they have to pay \$5k. That may seem light, but with all of the details, it kind of makes sense.

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Questions/Comments

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