



CMM Policies and Procedures

NARO Foundation

Voluntary Certification Program Policy and Procedures

I. OBJECTIVE

The objective of the Voluntary Certification Program Policy, hereafter referred to as the Policy, is to enhance and to provide unique educational opportunities and credentials for those members wishing to improve mineral management skills for personal or job-related use.

The Policy shall provide a standard which the public, the industry and other official organizations will recognize as reliable evidence that a designated Certified Mineral Manager (CMM) possesses knowledge, experience and competency in the duties generally associated with oil and gas mineral and royalty management.

The CMM Program is administered by the National Royalty Owner Institute (NROI) of the NARO Foundation. All educational seminars and related continuing education courses are professionally designed by directors of the Institute, the Association and the CMM Certification Committee.

II. CERTIFICATION COMMITTEE

A Certification Committee, appointed by the NARO Executive Committee, shall consist of no less than four and no more than seven members representing various disciplines related to mineral management. This may include, but is not limited to: landmen, accountants, attorneys, educators and other experienced professionals. The Certification Committee shall review and recommend course curricula, certification requirements and administrative procedures. The Certification Committee has the authority to arbitrate and resolve all related disputes; to recommend denial or revocation of certification; to set appropriate certification fees; and to approve all requests for special consideration of qualification of outside educational credits or the fulfillment of certification requirements.

III. QUALIFICATIONS

A. Entering the Program

Each candidate for certification as a CMM must be a NARO member in good standing in order to take the exams and to receive and maintain certification.

B. Certification Levels

CMM Certification is available in two levels of study which the candidate chooses at the time of sitting for the first examination: The Associate Level and The Professional Level.

1. The Associate Level

Associate Level Certification is designed for the individual who wishes to increase their base of knowledge in managing personal or family mineral properties.

2. The Professional Level

Professional Level Certification is designed for the individual who is currently, or plans to be involved in any aspect of managing, administration or development of oil and fgas properties.

C. Application for Certification

All candidates for certification must complete a registration form prior to sitting for the first examination. Applicants will be certified in three stages with completion of each stage requisite to proceeding to the next. Final certification as a CMM will be granted upon the fulfillment of continuing credit requirements and the achievement of a passing score on each three examinations.

D. Examination Process

1. Registration forms and application fees must be received prior to each stage of the certification process. The candidate may then sit for the first two stages of the examination. In addition to the registration form and application fee, requisite continuing education credit hours must be completed before sitting for the stage III Certification Examination. (See also III.D.5)
2. Each candidate will receive a written pass/fail notice from the Committee. Exact numerical scores will not be given, nor will an applicant be allowed to see his examination once the test has been taken.
3. The passing score for each stage of the Certification Examination is clearly stated on the front of each examination.
4. A candidate who fails to pass any stage of the examination process will be allowed one free re-take. If the candidate fails to pass the re-take, an additional examination registration fee will be paid prior to attempting to pass that same stage of the examination process.
5. To be eligible to sit for the Stage III Certification Examination, candidates must have passed the first two examinations and must have completed all continuing education credit hours for certification for their appropriate level AND reported those credit hours as outlined in Section III.E. You must contact the CMM Registrar before you take the third examination to determine that you have the credits needed to sit for the third and final examination.
6. Examination opportunities are offered at the annual NARO Convention; at NARO-sponsored seminars; and at NARO-affiliated state conventions.
7. Upon the successful completion of all stages of the certification examinations, the appropriate number of hours of continuing education credits, and a payment of appropriate fees a permanent

certification number will be assigned and a Certificate presented to the newly Certified Minerals Manager.

E. Continuing Education

In addition to passing all three stages of the examinations, candidates must complete the requisite number of continuing education credit hours for initial certification.

Each candidate will be responsible for determining and reporting the number of continuing education credits appropriate for a seminar/event attended by the candidate. Each candidate must complete an affidavit of attendance form and attach a program schedule, including the date, seminar content, and speakers, for each program for which the candidate wishes to receive credit. Continuing Education forms may be ordered from the CMM Registrar at the NARO office.

1. The Associate Level

The Associate Level Candidate must complete a minimum of twenty (20) NARO-sponsored continuing education credit hours.

2. The Professional Level

The Professional Level Candidate must complete a minimum of fifty (50) continuing education credit hours. (a) A maximum of eighteen (18) credit hours will be allowed based on experience, prior educational programs and professional credentials as follows:

- 1) Professional experience in a related field such as land, title analysis, law, oil and gas accounting, division order analysis and minerals management for institutions, trusts, partnerships, corporations, etc. Two (2) credit hours may be awarded for one to five years experience; four (4) credit hours may be awarded for five to ten years experience; eight (8) credit hours may be awarded for ten to twenty years experience; and ten (10) credit hours may be awarded for over twenty years experience. Eligibility of individual professional qualifications will be determined by the certification committee.
- 2) Certification by a related professional organization such as the NADDOA, NALTA, AAPL, ABA, etc. No more than ten (10) credit hours will be available for other professional certification(s). Eligibility of individual professional qualifications will be determined by the certification committee.
- 3) A maximum of fourteen (14) credit hours will be allowed for attendance of previous seminars, college courses and other educational programs approved for related professional continuing education credits. Credit hours awarded will be determined by the certification committee.

(b) Remaining credit hours needed for certification are required in attendance at NARO-sponsored seminars/events, including those offered at the annual Convention, statewide and regional meetings and programs co-sponsored by NARO.

Continuing education credits may be applied to the Professional Level Certification or to the Associate Level Certification, depending on the Level chosen by the candidate when completing their "Application for Certification" (See III.B, III.C and VII.)

IV. RECERTIFICATION

Certified Mineral Managers will continue to retain their CMM status for five years from the effective date of certification, unless revoked, by satisfying the following requirements:

A. Recertification Criteria

1. To maintain certification, a CMM must continue current, active membership in the National Association of Royalty Owners.
2. Application for recertification must be made every five (5) years. Such application must establish that applicant continues to meet the criteria to maintain CMM status for their appropriate level.
3. A letter requesting confirmation of the CMM's position will be sent to each CMM on the anniversary of the certification effective date approximately 120 days prior to the Annual NARO Convention. Each CMM must complete the letter and return it to the Committee within thirty (30) days prior to the Annual NARO National Convention.
4. All CMM's must complete the requisite number of continuing education credit hours for recertification.
 - a. The Associate Level
Associate Level CMM's must accumulate a minimum of fifteen (15) hours of NARO-sponsored credits within the prescribed five-year period for recertification.
 - b. The Professional Level
Professional Level CMM's must accumulate a minimum of thirty (30) hours of education credits. Fifteen (15) of those hours must be from NARO-sponsored programs.
5. Recertification credits will be maintained by each CMM. NROI will maintain a backup database of program attendance from information received and will notify each CMM of his recorded credits with the letter in Section IV.A.3. Written notice of any disputed credits must be received by the Committee no later than thirty (30) days prior to the Annual NARO National Convention.
6. All Certified Mineral Managers must pay the applicable fee(s).

B. Continuing Education

Each CMM will be responsible for determining and reporting the number of recertification credits appropriate for a seminar/event attended by the CMM, subject to audit by the Certification Committee. Each CMM must complete a NROI Affidavit of Attendance and attach a program schedule, including the date, seminar content, and speakers, for each program for which the CMM wishes to receive credit. The affidavit will be completed by the CMM and forwarded to the Committee within sixty (60) days of attendance. Seminars must be attended between recertification anniversary dates; therefore, only credits no older than five (5) years may be applied.

Multiple disciplines are employed on a day-to-day basis in the minerals management field. Therefore, continuing education credits may be earned in areas related, but not limited to, accounting, division orders, law, business, leasing, and title analysis.

1. A maximum of eight (8) credits will be awarded for attendance at the annual NARO Convention.
2. A maximum of seven (7) credits will be awarded for attendance at a NARO-affiliated State Convention.
3. A maximum of six (6) credits will be awarded for attendance at related professional conventions.
4. A maximum of three (3) credits will be awarded for attendance at full-day workshops/seminars.
5. A maximum of one (1) credit will be awarded for attendance at one-half day workshops/seminars.
6. Industry-related and other relevant college courses will be awarded three (3) credits per semester hour. Proof of completion, with a grade of "B" or better, must accompany the NARO Affidavit of Attendance.

C. Equivalency

In the event a CMM is unable to accumulate the requisite number of recertification credits during the five (5) year period, the CMM may satisfy the requirement by successfully passing the recertification examination and by completing eight (8) recertification credits. The CMM wishing to sit for the recertification examination must request in writing sanction from the Certification Committee within one (1) year from their respective renewal date.

V. REVOCATION OF CERTIFICATE

Certification may be revoked for noncompliance with the policies and procedures herein. The CMM will be notified by letter of the policy or procedure in possible noncompliance. The CMM may appeal the decision in writing to the Certification Committee. The decision of the Certification Committee is final.

VI. FEES

Fees for registration, certification and recertification will be established by the NARO Board of Directors. The non-refundable processing fees are currently: \$100.00 for Professional Program Registration, \$50.00 for Associate Program Registration.

The fee to sit for each stage of the certification examination is \$50.00.

The fee for recertification is \$50.00.

The fee to sit for the recertification examination is \$400.00.

VII. CHANGING LEVELS PRIOR TO CERTIFICATION

At the time of sitting for the first examination, each candidate must choose either the Associate Level or the Professional Level (See III.B.). In the event a candidate determines the alternative Level is more appropriate and wishes to change Levels, the change must be approved by the Certification Committee. If approved, the candidate would then begin the new Level by taking the Stage II Examination. Accrued continuing education credits could be applied to the new Level if the credits are no older than five (5) years from the date the Level change was approved by the Certification Committee. The candidate must then meet all requirements of the new Level.

VIII. MUTUAL AGREEMENT

The candidate for certification, by such application to the CMM Program, agrees to hold NARO, NARO Foundation, officers, Board of Governors and individual members harmless and without fault should the decision of the Committee and/or the NARO Board of Governors result in the denial or revocation of certification or recertification.

IV. AMENDMENTS AND REVISIONS TO THE POLICY

The Policy may be amended and/or revised by a two-thirds (2/3) affirmative vote of the NARO Board of Governors.