

The LandReport

A Monthly Report for
the American Landowner



Newsletter

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Dear Reader:

There's no denying that the last 90 days are destined to stand out in the annals of rural real estate as the biggest tear since the great land runs of the nineteenth century. Within a matter of weeks, the Saypo Ranch, the N Bar, and the Hamilton all closed, and that was before the mother of all sales made front-page news from coast to coast as **John Malone acquired more than 1 million acres of timberland in Maine and New Hampshire.**

By itself, that single transaction would have vaulted Mr. Malone to No. 7 on the Land Report 100, but since he already ranked fifth on the list he is now king of the hill—America's largest private landowner. There's much to talk about: Malone himself and his affinity for land, the financial implications of his most recent acquisition and what it says for investing in land, and of course the mechanics of the purchase itself.

We'll be pursuing this online at LandReport.com as well as in the Spring issue of the Magazine of the American Landowner. Look for more in-depth coverage in our special issue later this year, focused solely on the 2011 Land Report 100. I invite you to take a closer look at our analysis of Malone's epic acquisition of 2010: **New Mexico's Bell Ranch.** That in itself was newsworthy, yet it turned out to be a sign of greater things to come.

Enjoy!

Eric O'Keefe
Editor & Broker

LAND REPORT TOP TEN AMERICA'S LEADING INVESTMENT QUALITY RURAL LAND LISTINGS

1. Ranch Dos Pueblos:

\$90 million

2. Aspen Valley Ranch:

\$59 million

3. Robert Taylor Ranch:

\$56 million

4. Hana Ranch:

\$55 million

4. Rockpile Ranch:

\$55 million

6. Flying Dog Ranch:

\$46 million

7. Dana Ranch:

\$45 million

8. Craig Ranch:

\$43 million

9. Villa Montana:

\$35 million

10. Dallenbach Ranch:

\$29 million

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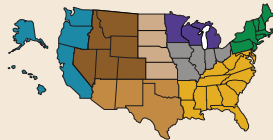
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MINERALS



UNITED STATES

EXXON MOBIL OUT OF GAS.

The world's largest publicly traded energy company can't find enough oil. According to *The Wall Street Journal*, for every 100 barrels of oil that Exxon Mobil produced over the last decade, it was only able to replace 95 of them. This index is known as the reserve replacement rate, and its decline plagues most Western oil-producing companies. Beginning decades ago, the low-hanging fruit began to thin out as accessible oil fields were targeted and subsequently depleted. Unfortunately, new fields that are in the process of being developed have enormous technological challenges such as deep-water exploration. Quite often, tricky local politics – Libya? – also hamper reserve replacement. By contrast, however, Exxon Mobil was able to substantially increase its natural gas holdings. For every 100 cubic feet of natural gas the company extracted, it was able to acquire an additional 158 cubic feet.



SOUTH

FORECLOSURE

Virginia Farmland

BANK OF AMERICA BUYS KLUGE ESTATE.

Bank of America paid over \$15 million for Albemarle, Patricia Kluge's legendary horse country estate, at a foreclosure auction on the steps of the Albemarle Circuit Court House. Kluge had defaulted on \$23 million in loans, and the lender filed a foreclosure lawsuit last month. Among the bidders were representatives of Donald Trump, who has already acquired 200 acres abutting the 100-acre estate. Completed in 1985, the eight-bedroom, thirteen-bath manor was originally listed with **Sotheby's International Realty** for \$100 million in 2009 before dropping to \$24 million.



SOUTH

ACQUISITION

Virginia Farmland

BHP BUYS CHK'S ARKANSAS SHALE INTERESTS.

Chesapeake Energy sold its Fayetteville shale gas holdings in Arkansas to BHP Billiton for \$4.75± cash. Some pipeline assets were also included in the sale. The Fayetteville acquisition marks BHP Billiton's first shale gas asset. The operating life of the field is expected to be 40 years. BHP Billiton is best known for its mining interests; most of its holdings are located in Australia, Algeria, Pakistan, and the Gulf of Mexico. Oklahoma City-based Chesapeake is the most active driller of new wells in the U.S. and owns leading positions in the Barnett, Fayetteville, Haynesville, Marcellus, and Bossier natural gas shale plays.

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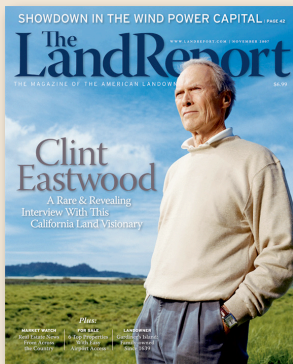
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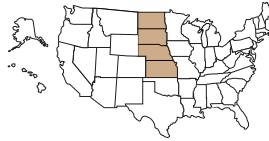


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GREAT PLAINS

ENERGY

North Dakota Renewables

MINNESOTA POWER TO EXPAND BISON WIND FARM. The utility notified the North Dakota Public Service Commission of its intent to begin the second phase of the project and increase total generation capacity to 185 MW. Further expansion of the \$160M wind farm is planned to meet Minnesota's mandate for 25 percent of its electricity from renewable resources by 2025. Electricity generated by the Bison Wind Farm travels to Minnesota via transmission lines used for the coal-generated power from the Milton Young station near Center.



MIDWEST

VALUES

Corn Belt

CHICAGO FED CITES SURGE IN MIDWEST LAND PRICES.

Agricultural land values in the Seventh Federal Reserve District jumped 12 percent in 2010, according to the Federal Reserve Bank of Chicago. The district encompasses key portions of America's

Corn Belt, including Illinois, Indiana, Iowa, Michigan, and Wisconsin. The increase was the second largest on record over the last three decades and was greatest in Iowa, where values soared a whopping 18 percent. According to the Chicago Fed's agricultural newsletter, "Slightly more than half of the respondents expected farmland values to keep rising during the January through March period of 2011." Read the Chicago Fed's AgLetter [HERE](#).

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