Farm landowner Issues Relating to Oil and Gas Development

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In this presentation we will take a look at issues impacting farmland owners relating to oil and gas development.
Disclaimer: The information provided is intended for educational purposes only!
We can group issues according to: drilling, pipeline and production.
Guernsey County Bed Tax Change (Jan-Aug) Comparison
Source: Cindy Bond
Summer of 2013 -- Oil and Gas related Workers Camping at Fairgrounds
September of 2015 -- Oil and Gas related Workers Camping at Fairgrounds
Despite this downward price trend -- Oil and Gas rights are being severed from the surface rights.

Leases are starting to expire-- Some leases are being sold, some are dropped, and some are being leased again for payment options on a yearly basis.

In some cases landowners have been asked to expand the unitization acreage (occasionally accompanied by a monetary incentive).
Seismic investigations are currently ongoing. Landowners are generally offered $5/A to allow access. Sometimes the project is conducted along the road.
With production there has been some controversy regarding the apportion of royalty “division order”.

- It is recommended that landowners have an experience oil and gas attorney review the division order before signing.
In the case of water sales where is the pump to be located? You can ask for a low decibel pump. What happens if a line breaks or leaks?

For water - you may indicate drawdown depth.

You can have temporary lines buried at specific locations.
Be sure to understand the area and location where structures are to be located. *If it is not in writing and on a map you are not sure.*

If the line has to be *moved or relocated* for any reason be sure you get to approve location and are compensated.

Projects *should have a clear beginning and ending points with consequences.*
When development/pipeline begins to occur landowners need a contact person and they need to document contact each time.
Landowners can expect yield loss for multiple years and don’t forget about timber loss.
There can be erosion with pipeline development.
Questions