



*Unatego Area Landowners Association*

# Gas Drilling Update

[www.otegogas.webs.com](http://www.otegogas.webs.com)

*July—August 2009*

*Volume 1, Issue 6*

**WHO: Southern Tier Coalition of Coalitions**

**WHAT: Joint Rally**

**WHEN: Sunday, August 23rd from noon to 5 pm**

**WHERE: The General Clinton Park, Bainbridge**

The Southern Tier Coalition of Coalitions was formed in the fall of 2008. It encompasses 7 counties and 23 coalitions meeting monthly in Binghamton. It functions as an informational clearing house and a potential lobbying group.

At the June meeting it was decided that we needed more outreach into the community in order to counter efforts by other groups who have been lobbying to shut down drilling. Although all member coalitions realize the enormity of the project, we are all convinced that the time is right for us to SPEAK OUT as a UNITED VOICE. Thus the rally was born. Our theme—OUR LAND—OUR RIGHT—OUR FUTURE.

## **HOW DO YOU FIT IN?**

- > BE THERE!
- > Bring family and neighbors.
- > Bring landowners who have already leased to gas drillers (Lenape, Atlas, XTO, etc.)
- > Write your State Senator and Assemblyman and your County Rep expressing your belief that drilling will be a gigantic benefit to our community. (Sample letters will be appearing on our website [www.otegogas.webs.com](http://www.otegogas.webs.com))

## **WHO'S BEEN INVITED?**

- > All elected County and State officials, as well as Governor Paterson
- > All media outlets within the Southern Tier
- > All members of the 23 coalitions within this seven county area
- > Anyone else interested in this issue

It is up to each and every member and family to be present to show your support for the future economic development of our area and demonstrate our power as a voting block. We can no longer be silent.

## **WHAT'S THE PROGRAM?**

- > Noon to 1:30ish—Live entertainment
- > 1:30ish to 3:00 pm—Intro of elected officials—Updates of our status from various coalition leaders
- > Information tables
- > Food pavilion

**DIRECTIONS?** From the Oneonta area take I-88 to Bainbridge (Exit 8). Turn toward town. Make a right turn at the first light on to Route 7. Make right turn at sign—General Clinton Park.

## REOPENING MEMBERSHIP

Landowners with more than 10 acres whose land is within the boundaries of the Towns of Otego or Unadilla are invited to join the Association. You can help by talking to your neighbors and letting them know the advantages of membership in our organization. Membership closes on RALLY DAY.



*Attention  
Landowners!*

## LUCK—OPPORTUNITY—PREPARATION

LUCK, they tell us, is when OPPORTUNITY meets PREPARATION. The UALA may get lucky sooner than we thought. The OPPORTUNITY came when the first major oil and gas producer showed interest in New York shale gas. Hess Oil and Seneca Resources are in contract negotiations with the Kirkwood and other Binghamton area coalitions. Kirkwood has accepted an offer of \$3,500 per acre sign-on bonus with a 20% royalty for a 7 1/2 year primary term. The agreement includes:

- > \$1,500 per acre for the “exploratory phase” through 2012
- > \$1,500 per acre for the “production phase” from 2013 through 2015
- > Those w/o royalties by 2015 get \$250/acre for last 2 years of lease
- > After exploratory phase Hess decides whether or not to continue. It can not “cherry pick” i.e., terminate some contracts and continue with others.
- > The deal does not include storage, compressors stations, or injection wells. These are subject to separate negotiations.

Other major oil and gas companies and venture capitalists will be interested in New York shale. These companies and individuals think long term, factoring in price, potential, infrastructure, marketability, regulatory climate, and probably a dozen other factors before making a business decision. We have little control over external factors. We do have control over our organization, our lease, and our land. And that’s where PREPARATION comes in.

Over the last 10 months, we’ve recruited over 300 members with over 28,000 acres, formed a Steering Committee, hired an attorney, adopted a lease, and during the week of July 13th, our attorney sent out the FIRST BID LETTERS. Since the beginning, we have also educated ourselves about shale gas and passed that information to our members. We have prepared for OPPORTUNITY.

### CONTINUING OUR PREPARATION

**DEEDS**—At least 25 landowners have deeds outstanding. Are you one of them? If you are unsure, check the address label— “D” means your deed has not been received.

## LUCK—OPPORTUNITY—PREPARATION.....continued

Please send it in this week. Again, the phone number for the Otsego County Clerk is 547-4376, Delaware Clerk 746-3747, and Chenango Clerk 337-1492. When OPPORTUNITY knocks, we must be “good-to-go.”

**DUES**—We are all volunteers. Your dues (\$15) pay for all the little expenses we incur. With the coming Rally, our needs will increase. Therefore, your dues are needed. Again, check your address label. If there is a “O”, please send your dues.

## LETTERS, LETTERS, LETTERS...

Be prepared to send letters to your State Senator and Assemblyman. In your own words, let them know why you want gas drilling on your land. Shortly, we will post samples on the website. However, your own words will carry more weight. Assemblyman Peter Lopez—21 Liberty Street, Sidney, NY 13838 and Senator Jim Seward—41 South Main Street, Oneonta, NY 13820



## SUMMARY OF THE JUNE 30TH MEETING

After tabling by-laws for review by counsel, the meeting centered on a report on general conditions concerning drilling in the State of New York and an outline of legal aspects of pipeline construction. Attorney Scott Kurkoski reported on both.

### GENERAL CONDITIONS:

- > The DEC has moved back the timeframe to get out the SGEIS until later in the summer;
- > Gas companies are holding off bidding on leases until the SGEIS is available for review;
- > The idea of a state severance tax is “bad business” - especially if the monies are put into the General Fund;
- > Joint Coalition (aka Coalition of the Coalitions) wants all coalitions members to write to their elected State reps to stop stalling and to get the DEC to get moving, (see Letters, Letters, Letters);

### GAS PIPELINE ISSUES:

After noting that gathering lines from gas wells are already covered by the Associations lease, Scott Kurkowski made the following observations and comments:

- > Gas pipeline easements last forever;
- > Easement negotiations are structured to get maximum benefit for the company. (Advise: bring an attorney.);

## **SUMMARY OF THE JUNE 30TH MEETING...continued**

- > Typically there is no payment until ground is broken.;
- > Abandonment provisions need to be included (reclamation, pipes plugged, etc.);
- > Include a non-exclusive easement for future lines;
- > Include a clause to enable traversing pipeline by farm equipment, vehicles, or other lines;
- > Include timber provision (if applicable) to get fair-market-value;
- > Include clause regarding consideration of pesticide use for ROW;
- > Include clause specifying where pipeline should be placed;
- > Don't accept over-ground easements;
- > Compressors are included under a separate agreement from easement negotiation;
- > Pipeline company must be insured to indemnify landowner.

**23/23 = 1**

**Twenty three coalitions meeting on August 23rd = UNITY**

**UALA**

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