

Living in Gasland
The Good, The Bad and The
Ugly

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PL GAS

- Pennsylvania Landowners Group for Awareness and Solutions

Good

- Additional Revenue
- Understanding the Corporate World
- Additional Jobs

Landowners Receiving Unanticipated Funds

- Sign-On Bonus Money
- Agreements
- Sale of Mineral Interest

Landowners Use of Funds

- Home Improvements
- Baseline Testing
- Offsetting Costs
- Purchasing Land

Good

- Business
 - Additional Revenue
(restaurants, hotels, rental properties, rental equipment, jewelry stores)
 - Jobs (truckers)

Good

- Lawyers and Politicians
 - lawyers in demand for negotiating agreements, liability issues, financial planning
 - politicians are experiencing financial gains and gifts

Good

- Gas Industry
 - Leases allow gas company to make additional money
 - Stock
 - Hedging the market
 - Control of gas volume to the market
 - Sale of subsurface interest

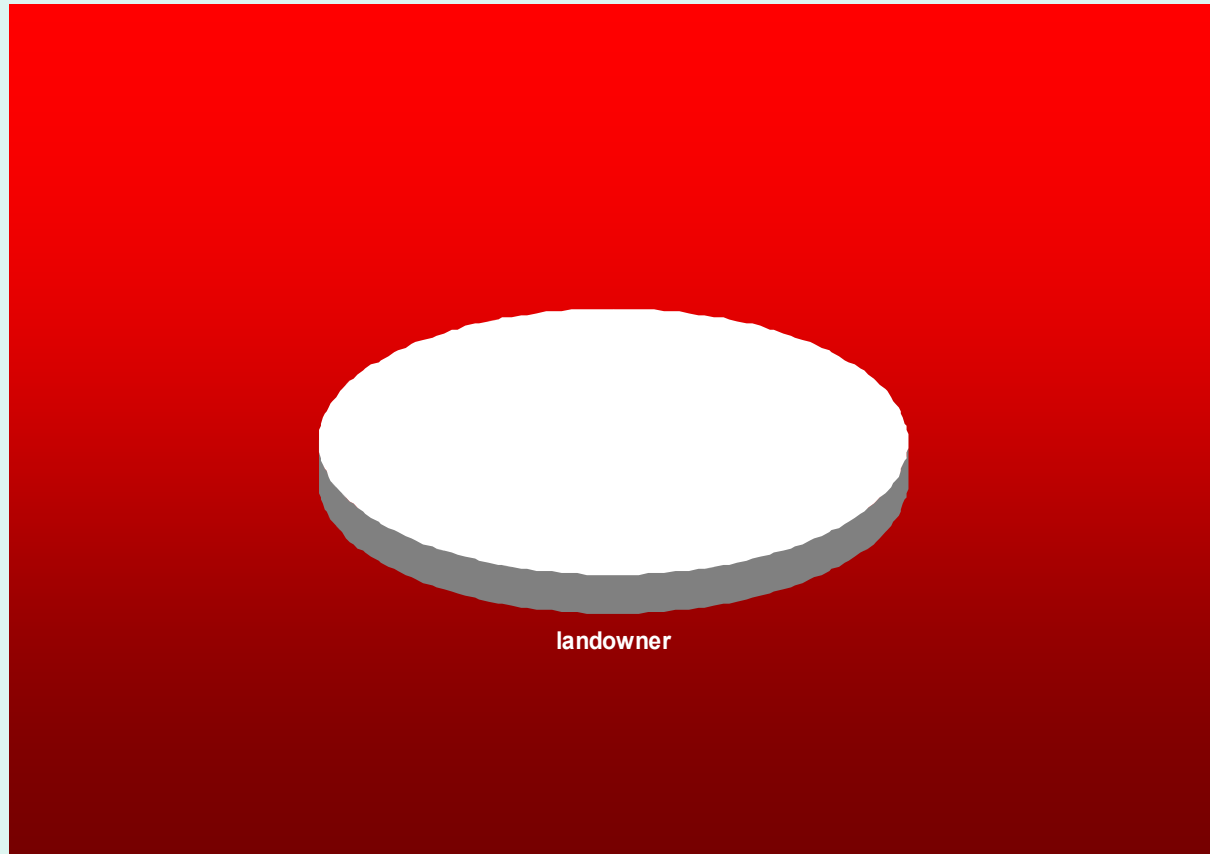
Understanding your Lease

- Signing of Lease & Agreements
 - Think about your neighbors
 - Liability
 - Terms
 - A Lease is not a True Term Lease
 - Include Only Subsurface
 - Environmental Responsibilities
 - Royalty Interest

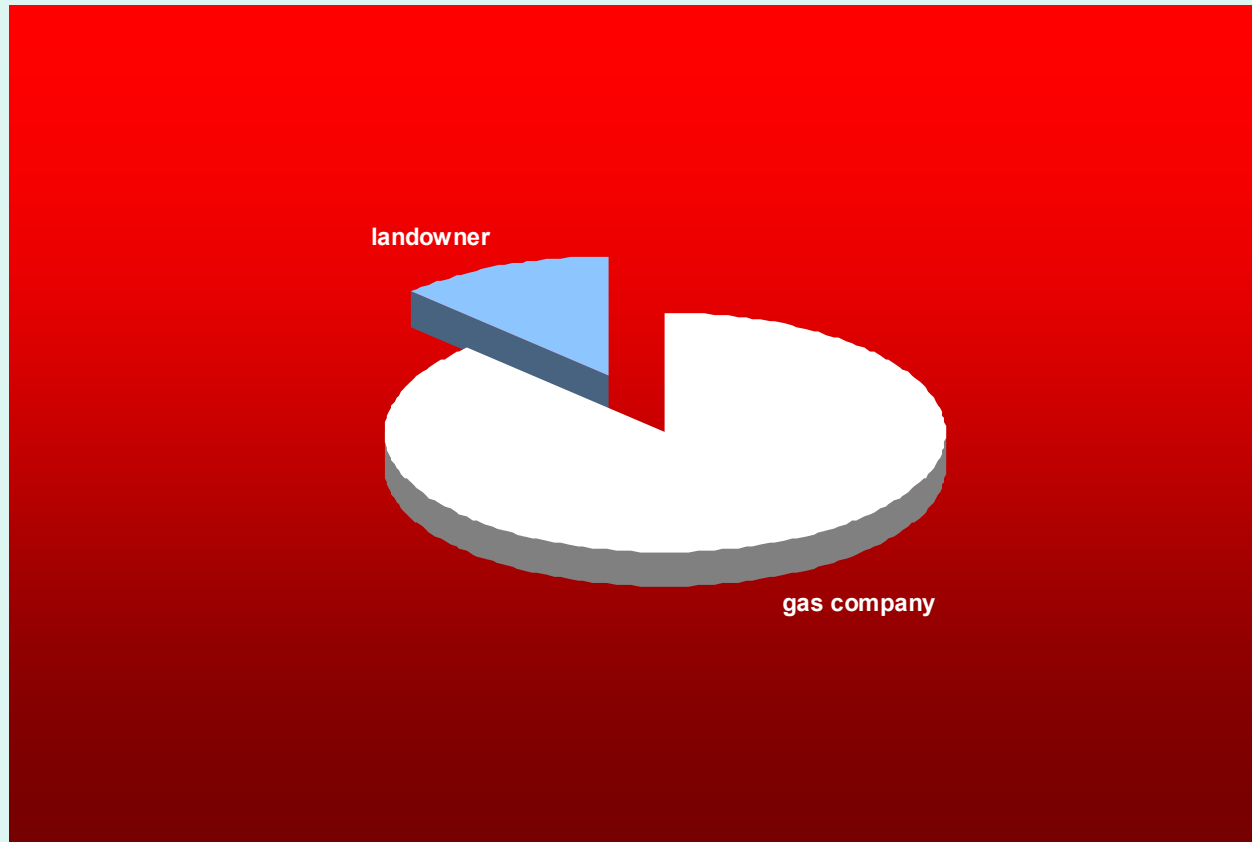
BRADFORD COUNTY, PA - INSTRUMENT SUMMARY LIST

7.	REVERSE PARTY	DIR#	IND#	P	INST. NUM	RECORDED	INST. TYPE	BOOK	PAGE	FILE # / MUNI	L
	CENTRAL APPALACHIAN PETROLEUM	2	1	D	200110279	Aug 31, 2001	OILLSE			FRANKLIN TP	
	CENTRAL APPALACHIAN PETROLEUM	2	1	D	200110796	Sep 11, 2001	OILLSE			FRANKLIN TP	
	CENTRAL APPALACHIAN PETROLEUM	2	1	D	200111344	Sep 24, 2001	OILLSE			FRANKLIN TP	
	CENTRAL APPALACHIAN PETROLEUM	1	1	D	200112652	Oct 22, 2001	OILLSE			LEROY TOWNSHIP	
	CHIEF EXPLORATION & DEVELOPMENT L	3	2	D	200821276	Dec 11, 2008	OILLSEA			LEROY TOWNSHIP	
	TEXAS EPARTNERS X	3	1	D	200904365	Mar 13, 2009	OILLSEA			LEROY TOWNSHIP	
	CENTRAL APPALACHIAN PETROLEUM	1	1	I	200915790	Jul 29, 2009	OILLSER			LEROY TOWNSHIP	
	CENTRAL APPALACHIAN PETROLEUM	1	1	I	200915791	Jul 29, 2009	OILLSER			FRANKLIN TP	
	CENTRAL APPALACHIAN PETROLEUM	1	2	I	200915794	Jul 29, 2009	OILLSER			FRANKLIN TP	
	CENTRAL APPALACHIAN PETROLEUM	1	2	I	200915795	Jul 29, 2009	OILLSER			FRANKLIN TP	
	SHELL OIL CO	4	248	I	198707744	Nov 13, 1987	OILLSE	70	1029	NO MUNICIPALITY	
	GOODWIN INDUSTRIES INC	2	1	D	198903120	May 11, 1989	OILLSE	114	590	NO MUNICIPALITY	
	GOODWIN INDUSTRIES INC	2	1	D	198903121	May 11, 1989	OILLSE	114	592	NO MUNICIPALITY	
	GOODWIN INDUSTRIES INC	1	16	I	199105831	Jul 26, 1991	OILLSE	183	236	NO MUNICIPALITY	
	KEETON GROUP	2	1	D	200605203	May 5, 2006	OILLSE			FRANKLIN TP	1
	KEETON GROUP	4	1	D	200605408	May 8, 2006	OILLSE			FRANKLIN TP	
	KEETON GROUP	2	1	D	200608378	Jul 14, 2006	OILLSE			LEROY TOWNSHIP	
	ECORP RESOURCES PARTNERS I	3	1	D	200803403	Mar 20, 2008	OILLSEA			FRANKLIN TP	1
	ECORP RESOURCES PARTNERS I	3	1	D	200803404	Mar 20, 2008	OILLSEA			LEROY TOWNSHIP	
	ECORP RESOURCES PARTNERS I	7	1	D	200803419	Mar 21, 2008	OILLSEA			LEROY TOWNSHIP	
	GIANA RESOURCES	7	1	D	200805380	Apr 29, 2008	OILLSEA			LEROY TOWNSHIP	
	PLYBON FAMILY LIVING TRUST	7	1	D	200805420	Apr 30, 2008	OILLSEA			LEROY TOWNSHIP	
	QUILLIN, ROBERT	7	1	D	200805432	Apr 30, 2008	OILLSEA			LEROY TOWNSHIP	
	PLYBON FAMILY LIVING TRUST	3	1	D	200805460	Apr 30, 2008	OILLSEA			FRANKLIN TP	1
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	SOURCE OIL & GAS	3	1	D	200805815	May 5, 2008	OILLSEA			LEROY TOWNSHIP	
	ROBBS FAMILY TRUST	7	1	D	200805934	May 6, 2008	OILLSEA			LEROY TOWNSHIP	

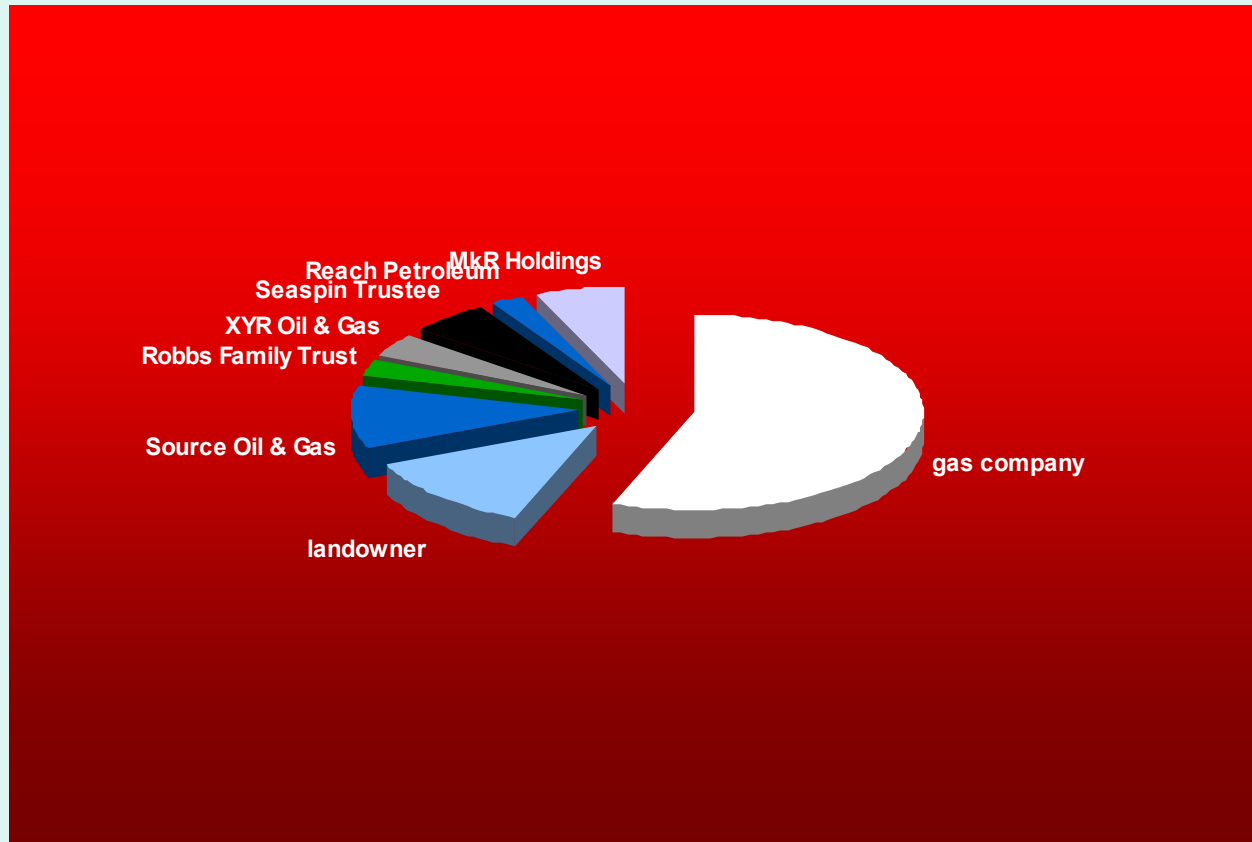
Original Share of the Pie



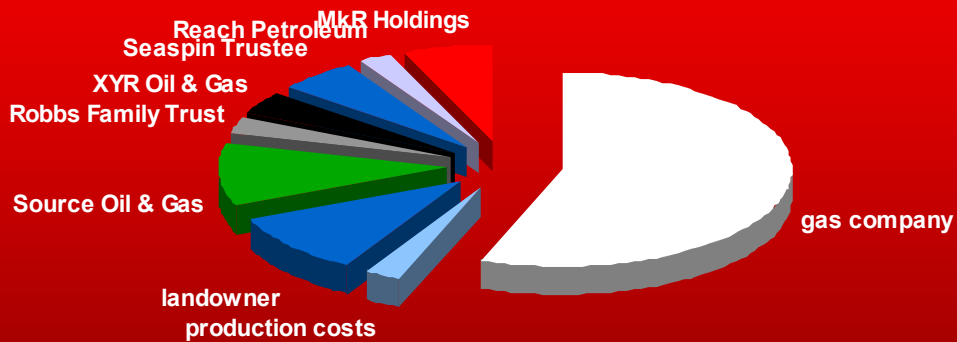
Your Royalty Ownership in Lease



Royalty Interest Assigned By Gas Company to Fund Operations



Your Piece of the Pie (royalty) after deductions



Bad

- Landowners
 - farming- loss of and use



Gas Rigs & Agriculture



New Use for A Slurry Pit



Compressor Station in Towanda



Temporary Compressor on Well Pad



Putting in Pipeline



Bad

- Landowners
 - Land locked due to placement of well pad, impoundment pond, compressor
 - Timber Value
 - Years of Agricultural Production lost before Reclamation
 - Less feed, bedding, higher cost in shipping milk
 - Loss of Tourism, due to Dead Zones

Bad

- Community
 - Crime
 - Unsustainable Use of Natural Resources
(blue stone, shale, top soil)
 - Unreasonable delay of payment or non-payment of services to businesses
 - Increase in costs- (taxes, insurance)
 - Tremendous strain on emergency services
 - Housing Shortage
 - Road Damage (who is responsible for costs?)

State Road After High Truck Use



Bad

- Community

Divorce

Divorce



Bad

- Community- Traffic Volume



Bad

- Business
 - Contamination of Product
 - Decrease in Tourism
 - Dead Zones
 - Unable to get employees for traditional jobs
 - Lack of available parking downtown
 - Loss of business due to high volume traffic

Bad

- Politicians
 - The monies received from the gas industry has influenced the decisions made by them
 - They are not abiding their oath to make decisions based on the safety and well being of whom they serve

Ugly

- Contamination
 - water, soil, & air



Ugly

- Contamination Costs
 - Increase in electric bills
 - Filtration systems
 - Water testing expense
 - Medical bills
 - Loss of 80% of the property value

Contamination from a Spill



Ugly

- Unexpected Property Encumbrances
 - Mechanic's Lien
 - Subordination, Non-Disturbance and
Attornment Agreements
 - Open-End Mortgage

5 Pads & an Impoundment Pond in one Square Mile



Understand All Agreements

- Know definition of terms
 - fresh water
- Know meaning of clauses
 - Force Majeure
 - Mortgage
 - Shut in
 - Production costs
 - Right to Audit

Understand All Agreements

- Each parcel has its own agreement
- Not all land is required to be included in a production unit

Solutions

- Require that the residents set the pace not the gas company
- Work with you local municipalities to get any regulations in place to help slow and control the pace
- Learn about the laws governing oil and gas- make sure they are adequate before they are allowed to start

Solutions (continued)

- Educate yourself
- Find out more about the industry
- Talk to people- all types
- Never feel pressured or rushed to agree to anything.

Solutions

- Work on updating zoning regulations
- Set up support centers
- Learn from what is going on in other states (mistakes and improvements)

Sacrifice

- Patriotism

- Signing lease is your patriotic duty

- It will allow the United States to become independent from foreign oil

- JFK's Inaugural Address is being used to persuade people to buy into natural gas extraction in PA

- “Ask not what your country can do for you-ask what you can do for your country”

- Using military sacrifice as a selling point for energy independence

Sacrifice

- Religion is being used by the industry to persuade you to agree to being leased
 - We are being asked to be “Sacrificial Lambs”

People Voicing Their Opinions



Thank you

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