



West Virginia Surface Owners' Rights Organization

1500 Dixie Street, Charleston, WV 25311

(304) 346-5891 - FAX: (304) 346-8981

www.wvsoro.org

For Immediate Release

May 20, 2008

For more information:

David McMahon 304-415-4288

Oil & Gas Boom Leads to Leasing Educational Campaign

The West Virginia Surface Owners Rights' Organization (WV SORO) has announced a new campaign to educate landowners about leasing the minerals under their land. The group's main focus is on providing information to people who own the surface, but either do not own the minerals or have bad leases with few surface owner protections included. More recently, WV SORO says it is getting call after call with questions from landowners who have been approached by landmen with "standard" oil and gas leases for them to sign.

"According to one survey in Pennsylvania, 80% of the people who signed leases signed from the first company that approached them with the company's 'standard lease' exactly as drafted by the company lawyer," said attorney David McMahon, one of the founders of WV SORO. "People don't know that there are some bad provisions in these leases that can and should be crossed out. People do not know that they can insist on lease add-ons or addendums that restrict the areas where drillers put wells, require better re-seeding and road construction than the State requires, and so on.

"West Virginia landowners need to know that the amount of the various payments that they can bargain for is going up and up," McMahon said. Only a year or two ago, some leases paid \$5.00 an acre up front money to sign. Now based on reports from landowners, in some parts of West Virginia the offers are \$350 dollars per acre lease fee, with a 12.5% royalty. These rates are continually changing due to various factors. Additionally, media reports confirm offers of well over \$1,000 an acre are common in some parts of Pennsylvania.

According to Mc Mahon, WV SORO has started a three-prong campaign. "We now have a guide for citizens who are approached by oil and gas companies which explains more about leasing and things to consider before signing a lease. We have added this to the new 'Leasing' page at our website, along with other information such as links to forums where people can exchange information with their neighbors on what is being offered for up-front payments and royalty percentage." WV SORO representatives are also attending local meetings to discuss leasing issues. "The Farm Bureau is holding meetings to educate its membership and we are attending their meetings." said David, "We are also trying to get the word out in the press so people know where to go to get the information they need."

The rise in energy prices appears to be driving the increase in leasing. There is huge excitement in the industry about drilling into the "Marcellus" formation. It is a shale "source rock". New ways of drilling into similar formations in the West have been very productive and drillers are hoping to do as well in the Marcellus, which runs through much of Pennsylvania and West Virginia. Oil and gas companies are sending in their landmen from other states to West Virginia in an effort to get minerals leased before other companies. One rural county courthouse recently had to put two tables in the hallway to accommodate the landmen researching mineral titles in their record room.

For leasing information, go to www.wvsoro.org and look for the "Leasing" or "Mineral Owner Info" links or call (304) 346-5891.

###