

West Virginia Surface Owners' Rights Organization

Surface Owners' News

Volume 1, Issue 1 January 2008



More Than 100 Attend WV-SORO's First Regional Meeting in Weston

Despite localized flooding, more than 100 area landowners braved the cold, pouring rain December 13, 2007 to attend WV-SORO's first Regional & Information Meeting at the Lewis County Senior Citizen Center in Weston. Some came from as far as Barbour and southern Upshur County to voice their concerns about the recent boom in oil & gas drilling in the region and to learn more about what rights they have as surface owners when companies decide to drill wells on their property.

WV-SORO members also made important suggestions on what they would like to see incorporated into a "Surface Owners' Bill of Rights." These suggestions include holding the driller responsible for the property taxes on the portion of their land taken for well sites, access roads and pipelines. Others cited concerns over noise pollution from compressor stations. There are no regulations governing compressors or stations on gathering pipelines from gas wells.

We would especially like to thank Kent Burnside for his hard work and dedication to being "our man on the spot" for the meeting. We would also like to thank all of the dedicated people who showed up and helped energize us that night.

WV-SORO Pushing for Surface Owners' Bill of Rights by Julie Archer & Gary Zuckett

WV-SORO has had a presence at the legislature since last summer. During an August special session WV-SORO helped defeat a bill supported by oil & gas producers and Governor Manchin to let companies off the hook after they were found guilty of shortchanging landowners more than \$133 million in royalty payments. In the *Tawney* case, the jury also awarded the landowners \$270 million in punitive damages. The bill proposed by the Governor would have let the companies out of this verdict and shielded them from similar lawsuits in the future.

In December, WV-SORO began talking with legislators and recruiting co-sponsors for a Surface Owners' Bill of Rights. WV-SORO identified several changes that are needed to ensure good stewardship of the land and fairness between operators and surface owners.

West Virginia's oil & gas laws were last revised in 1981. Since then, landowners get 15 days notice of a driller's plans, but still have no input about what parts of their property will be taken for wells and access roads.

Our current laws favor oil & gas drillers and need to be changed. These changes include:

Earlier notice that driller is coming:

- Requiring notice before the driller or surveyor comes onto property.
- Requiring notice and a face-to-face meeting between the "operator" (driller) and the landowner before the permit application is filed.

These would change the current situation, in which the surface owner gets the well permit application after the well site and road have been surveyed, and then has the right to comment only on the soil erosion and sediment control plan.

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Surface Owners' Bill of Rights

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Pre-permit surface use agreement:

- Negotiation or mediation to give surface owner input in planning and executing well site(s) and access roads.
- Surface owner determines the road location, unless valid reason not to use what he chooses.
- Surface owner picks type of road construction – big wide graveled, or return to nature
- Surface owner gets choice of vegetation replacement type.
- Mediation required if driller and surface owner cannot agree on drilling site and road location.

Fair & equitable damage compensation:

- Requiring the driller to post an individual well bond, if no pre-drilling agreement is reached between the driller and the surface owner, and making that bond guarantee the surface owner's compensation.
- Value the land taken at market value, not the value of its current use.
- Compensation for total value of the surface owner's losses including roads, well site(s), and pipelines and value of adjacent lands.
- Requiring the driller to offer the surface owner residential gas service, at cost, from the wells or gathering lines on their land.

WV-SORO will be working on behalf of surface owners to get the legislature to implement many of these changes during the legislative session. To make these changes happen you must contact your legislators, share your story, and tell them what you think needs to be done to protect property owners from industry abuses. Visit our website or call us to find out who your legislators are and how to contact them. You should also attend WV-SORO Day at the Legislature on February 6, 2008 — legislators will only be impressed by a strong turnout.

Happy New Year! from YOUR Surface Owners' Rights Organization

In our first edition of WV Surface Owners' News, we want to provide you with a brief update of the issues WV-SORO has been following during the legislative interim meetings and give you a glimpse of what we'll be working on during the regular legislative session. We appreciate the opportunity to serve as a voice for surface owners in Charleston.

In addition to having a presence at the legislature, we are also making an effort to get out to different parts of the state to meet with surface owners, educate them about what rights they have and hear from them about what they think needs to be done to protect property owners from industry abuses. We held our first regional and information meeting December 13th in Weston and have two more scheduled for later this month. We've also been doing a lot of work to our website, where you can find answers to questions, including information about the rights you have and how to use these rights to your advantage.

We look forward to meeting many of you at the upcoming events we have planned and working with you in the coming months to pass legislation that will help you to claim the rights you deserve. We also welcome your input and suggestions. Contact us anytime by e-mailing Norm or Julie at wvsoro.org or by calling (304) 346-5891.



Photo reprinted with permission from Where It All Began

WV-SORO Website Keeps Improving

by Dave McMahon

West Virginia has the second-most dispersed population of any state. West Virginians are spread out, which makes for good living, but makes it difficult to get large groups together. The purpose of the WV-SORO website is to get together to learn, share and act to protect our property and home places.

Rural living can also mean slow, "dialup" internet service. So our webmaster, Don Alexander, caters to our rural members by using design features that accommodate dialup users. It seems to be working — We just launched the website in September, but this month it is averaging 126 visits *each day*.

We hope, if you have not already, you will take a look. Just search for "WV SORO" or type in the URL "www.wvsoro.org".

The website has answers to many of the questions surface owners have. You can download (or mail order) the "West Virginia Surface Owner's Guide to Oil and Gas," and the WV Office of Oil and Gas's "Soil Erosion and Sediment Control Manual," the manual that drillers are supposed to follow before *and after* a well is drilled. If they are not following the manual, there is a link that tells you how to contact the oil and gas inspector for your area.

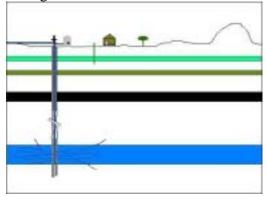
The website also has a "Current Events" page that will keep you up to date on issues affecting surface owners. Right now topics include:

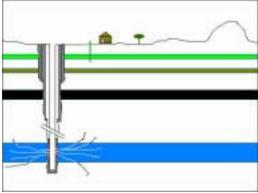
- The rule (which WV-SORO helped with see page 5 for details) before the Legislature that limits what drillers can do in state forests.
- What is happening with coal bed methane horizontal drilling.
- The *Tawney* class action court case in which small royalty owners who were shortchanged won millions of dollars from a large oil & gas company.
- News about the dispute over "Marcellus" formation wells and whether well spacing and royalty sharing will be required.

Most importantly, if you want to improve the laws for surface owners, the website provides you with easy ways for you to find out who your legislators are and contact them to let them know about your problems and the new protections that surface owners need.

There are links to the WV Office of Oil and Gas website, which has information regarding the wells on your land, and member John Snyder has given us a great collection of other "Links of Interest" where you can access more information about your land and wells.

My personal favorites are two slide shows. One illustrates how a gas well is drilled down into the ground and what can go wrong. The other explains and illustrates "well spacing and royalty sharing" and why it should be required for all wells drilled in West Virginia.





Illustrations from our slide show on how a well is drilled and what can go wrong.

There is lots more. And we're working on ways for you to put your experiences and ideas on the website to share with other surface owners.

<u>Check it out!</u> If you don't see what you are looking for, please let us know.

Here's the Heavy Lifting: We Need You

by Norm Steenstra III

Here at WV-SORO we are not just focused on the legislative session now that it has begun, we are also planning more town hall meetings to further the knowledge and support that we can offer our fellow landowners. This session is an important step for all of us, as we need to work together and encourage our legislators to establish our "Surface Owner's Bill of Rights". This is a chance for all of us to take an active role in claiming the rights we deserve. Due to the great response that we have had in our first 6 months (we can now count among our ranks members from 50 WV counties, 19 states and two countries), I expect that we will be able to effectively educate our legislators and put pressure on them to do the right thing -- but they need to hear from you.

As we go to press, two more town hall meetings are being planned before WV-SORO Day at the Legislature on February 6th. One will be on Thursday, January 31st in Spencer at 6pm at the Heritage Park Community Center, 110 Church Street. Details are still being worked out for a meeting in the Danville/Chapmanville area on either Saturday, January 26th or Saturday, February 2nd.

As mentioned earlier, WV SORO day will be held on February 6th at the State Capitol. We have reserved the Governor's Conference Room (located in the Secretary of State's Office, Room 157-K) from 8am to 11am that morning. This is an ideal spot to meet and will serve as the room for our press conference at 10am. The rest of the day will be a chance for SORO members to go and speak with their legislators. Our lobby team will be available to direct and guide you to the right places. We recommend you contact your legislators in advance to schedule an appointment for that day. Please contact us if you want help arranging your meeting, if you need a ride to Charleston or are willing to bring others from your area. This will be a great opportunity to come down and show support for the Surface Owners' Bill of Rights.

The Surface Owners' Bill of Rights is a plan to level the playing field between surface owners and

the oil & gas industry. (See page 1 for details.) We are currently gathering up sponsors in both houses, so if you are interested in getting your legislators more involved now is the time to contact them and ask them to sign onto the bill.

We also welcome any and everyone to come down and meet their legislators at any time during the session. Please call us so that we can coordinate our efforts. We invite anyone interested to contact us at the office at (304) 346-5891 (ask for Julie or Norm) or via our website at www.wvsoro.org.

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"Daylighting," Notice to Surface Owners Considered by Legislative Committee

During the November legislative interim meetings, the Select Committee on Infrastructure heard presentations from WV-SORO, oil & gas drillers and various state agencies on the issue of "daylighting." "Daylighting" is cutting down extra trees in the hope that sunlight and wind will accelerate drying of access roads. Our position is that it rarely works and is not needed on a well constructed, re-vegetated and properly maintained road.

Unfortunately, the committee bought the industry and WV Division of Forestry line that "daylighting" is a widely accepted practice. As a result the committee decided to do nothing on "daylighting" but was interested in other issues raised in the discussion, particularly the short (15-day) notice to surface owners before drilling commences on their property. There was also interest in minimizing surface damage.

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"Daylighting"

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In December, a lawyer for the committee presented a bill extending the notice to surface owners, as well as their time to comment, to 30-days. The bill also contained a provision that gave the Department of Environmental Protection (DEP) the authority to deny a permit if the soil erosion and sediment control plan allowed more disturbance to the land than is reasonably necessary.

The bill was considered when the Committee met in January, but was defeated on a voice vote. Delegate Sam Cann (D-Harrison) lead the charge against the bill saying it was not good policy and would place additional burdens on an industry that already has too many burdens put on it. We heard 4 nays and 3 yays, which means a number of members did not cast a vote either way. Some of the non-voting members acknowledged a need to protect property owners' rights, but obviously were not convinced they should support the bill. This tells us that they need to hear more from you, their constituents, if we are going to move our Surface Owners' Bill of Rights, which provides more protections for landowners.



Rule on Oil and Gas Drilling in State Forests Moves Forward by Dave McMahon

The West Virginia Legislature's Rule-Making Review Committee has approved a new rule proposed by the Department of Natural Resources (DNR) to control oil & gas drilling in state forests. The rule was required by a bill passed during the 2007 legislative session and requires the driller provide earlier notice to state forest officials and the public about drilling and maintenance activities in our forests. The notices will be posted on the DNR website and e-mailed to those who have requested them. For a new well, the notices will also be published in a local newspaper. The public can then submit comments for DNR to consider when it responds to the driller's plans and permit application.

The rule requires the driller to consider recreational uses, natural resources, and endangered or rare species known to DNR or that are identified by the public. It prohibits cutting trees on the side of access roads, called "daylighting", unless DNR The steepness of roads is specifically agrees. limited, and extra stabilization and erosion control structures are required. It allows DNR to suspend road building and other activities, other than actual ongoing drilling, during inclement weather. Revegetation of well sites and roads is improved by requiring seed mixtures that are friendlier to wildlife. DNR can require native seeds if they are effective and not too costly. Improved road maintenance practices are required and bulldozer "blading" of roads for maintenance is limited. The rule requires most roads to be gated and for the driller to compensate the state for damages if a gate is left unlocked.

While we preferred to have a public hearing, not just written comments, and would have liked the driller to be required to do a full biological inventory of the surface they are proposing to disturb, we believe this is a huge step for our forests and forest users. The state's rights as a surface owner, where the state does not own the minerals, will be better honored now, and the public, who really owns the forests, will have some real input once the rule is approved by the full legislature.



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~ Upcoming Events ~ *Mark Your Calendars*

Jan. 26 or Feb. 2, 2008
WV-SORO Regional Meeting in
Danville/Chapmanville area
(We'll contact our members in the area once we know the details.)



January 31, 2008

WV-SORO Regional Meeting in Spencer, 6PM to 8PM Heritage Park Community Center, 110 Church Street

February 6, 2008

WV-SORO Day at the Legislature, State Capitol, Charleston
8AM to 11AM ~ Gather in Governor's Press Conference Room
(located in the Secretary of State's Office, Room 157-K; coffee & danish provided)
10AM ~ Press Conference on Surface Owners' Bill of Rights
11AM to 3PM ~ Lobbying, Meetings with Legislators

Contact us at (304) 346-5891 or info@wvsoro.org for more information on these events.