



## KEY IMPACTORS

### PUGH CLAUSE

A "Pugh Clause" is the most important provision or addendum that should be included in every gas lease agreement that addresses whether the entire parcel of land is to be held under a lease agreement or if only a portion of the leased land is to be held under a lease agreement.

### SHUT IN ROYALTY

A "Shut-in royalty" is paid when one or more wells are fully developed, but the producing company has decided, for reasons they chose, not to produce or sell gas. These provisions need to be fine tuned with a balanced approach between the producing company and you the mineral owner.

### LAND USE CHALLENGES

Timber rights, mineral deeds, mineral rights, development rights, leasehold interest, life estates and estate planning. Know what you own and how to retain assets for future generations.

### LAND GROUPS

You may want to join or form a group of adjoining property owners that share your goals for land use. Larger tracts of land typically provide greater leverage when negotiating terms with gas producers.

## OIL AND GAS LEGAL SERVICES For Pennsylvania Land and Mineral Owners Call Attorney Art West 1-800-738-2261 Before you sign an Oil and Gas Lease

### Lease Review:

The language in an oil and gas lease contract is difficult to understand for most. Few landowners can read through each sentence in the preprinted lease and understand its meaning. BE SMART, retain Attorney Art West, who has experience in this area of the law, to protect your valuable oil and gas assets. When requested, a reputable oil and gas producer will negotiate a balanced lease favorable to both parties. Attorney Art West can suggest changes, amend the "Standard Oil and Gas Lease" and add specific terms that better protect the landowner.

### Wealth and Estate Planning:

Estate planning prior to or just after negotiating an oil and gas lease is prudent. Larger tracts of land will produce significant personal wealth once production begins. Family limited partnerships and other estate planning devices should be considered. Attorney Art West will discuss how to protect assets from creditors and how to preserve family wealth.

### Oil and gas lease negotiation on behalf of landowners or owner groups:

The "Marcellus Shale" has created significant opportunity and some risk for the Pennsylvania landowner. To protect yourself and obtain the best outcome, consult with Attorney Art West. Exploring and drilling for natural gas is big business. Your signature should not be placed on an oil and gas lease without legal representation. Lease provisions that need special attention are varied and complex.

### Signing Bonus:

Many factors will influence the size of a "Signing Bonus" and percentage royalty that a natural gas producer company will pay a land and mineral owner in Pennsylvania.



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