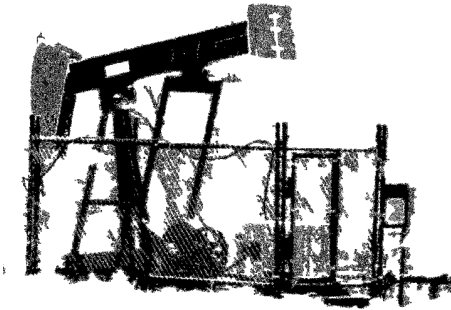


IS COALBED METHANE or GAS EXTRACTION PROPOSED ON YOUR PROPERTY? **KNOW YOUR RIGHTS AND RESPONSIBILITIES**

Prepared by the Mountain Watershed Association and the Center for Coalfield Justice



There are many ownership questions surrounding coalbed methane (CBM) and natural gas extraction, and the answers aren't always clear. This fact sheet is meant to be a guide and is in no way exhaustive, but rather is intended to answer some of the more frequent questions raised by private property owners who do not own their coal or gas rights and are faced with coalbed methane or natural gas drilling. For more information, please contact us or consult your attorney.

I do not own my coal/gas rights. A company practicing coalbed methane/natural gas extraction has just informed me that they will be installing a well on my property and would like to test my water quality. What should I do?

If you have a private well or spring, there is value in having your water tested for quality AND quantity. Gas drillers are only required to test for quality, meaning that if you lose your water completely or suffer a reduction in flow, the burden of proof is on YOU. Allow the company to test your water, but be present, and consider videotaping this process.

Also, if you have a private well or spring, consider paying to have your water quality AND quantity assessed independent of the company- meaning you should hire someone to do this testing out of pocket. If you rely on a private water supply such as a well or spring, this could be money very well spent. For a list of labs or a list of hydrogeologists that conduct water quality and quantity testing, please call us!

Keeping a log is also a very valuable tool, especially if you begin to notice disruptions in your water quality or quantity. Purchase a bound (with sewn-in pages) notebook and log in INK any changes you notice along with the date and time.

The proposed location of the well is in the middle of my prime farmland (or right next to my house, or my barn, or on a site I plan to develop) and the company won't negotiate a new location!

According to attorneys consulted for this fact sheet, the company's approach **MUST BE REASONABLE**. You may have the right to go to court and challenge DEP's permit to allow a well on this specific site. You could also file an injunction. Contact an attorney who is familiar with oil and gas law. For some leads, please contact us.

What is the role of the Pennsylvania Department of Environmental Protection?

The Pennsylvania Department of Environmental Protection is responsible for permitting gas extraction activities, however, they will not intervene in discussions involving placement of CBM wells or protecting the surface property of private citizens. You will have to enter into these discussions on your own, preferably with the aid of an attorney.

If you notice disruptions in water quality or quantity or have a complaint regarding the well, however, you should report this immediately to PA DEP's Oil and Gas Management Bureau at (717) 772-2199.

Many companies practicing coalbed methane or natural gas extraction assert that they have absolute right to do what they please with your property in the process of constructing and operating wells IF you do not own your coal (CBM) or gas (natural gas) rights. Many attorneys familiar with the issue, however, believe this not to be true, and believe property owners have the right to:

- Ask for compensation based on a percentage of the gas extracted, or compensation on a per year basis rather than receiving a flat fee. Or, if \$30,000 is offered, ask for \$50,000 but offer to let it be payable over time. The key is to **NEGOTIATE!** Considering the long lifespan of a well, \$5,000 or \$10,000 doesn't seem like much compensation. Companies may be willing to pay out more if they think it will help to avoid a fight in court!
- If the site is forested, **YOU** have a right to timber the site prior to the company installing the well. If you do not have the site timbered beforehand, put a statement in a written agreement that the operator will cut logs into 10.5' segments and store on site for your future decision/use.
- All water bearing aquifers should be cased, including and especially the one you use for your private water supply. Also, any strata that the company doesn't have the right to extract from should be cased. As soon as a well is proposed, contact the DEP and let them know you require a casing plan.
- Insist that flake cellophane be used in construction of wells on your property. This prevents cement loss into the aquifer, and is vital to protect your private water supply especially if that supply is a spring.
- Fencing should be paid for and constructed by the company to keep your livestock out of the permitted area.
- Access roads should be gated and you should have a key. All roads should also have erosion and sedimentation controls both installed and maintained by the company.
- If the well is to be located in a field you use to farm, insist that all pipes be buried below plow depth, which is 36 inches.
- Companies **DO NOT** automatically have the right to discharge their waste water by spraying it over your surface property. Negotiate how drilling fluids and waste water will be collected and treated and how the producer will dispose of it.
- In the case of coalbed methane, many surface property owners own some of the coal seams beneath their property; if you own the rights to some seams, the company may **NOT** drill to access gas in those seams without paying you for that right (a royalty). You are entitled to be shown proof that they are not taking the resources that are rightfully yours.
- Beware of sell and buy-back situations. Sign **NOTHING** without review by your attorney.

Lastly, request a copy of the permit application from DEP for a well that is to be installed on your property. You are entitled to this! Also, to read some agreements (both good and bad) negotiated between CBM and gas companies and private landowners, visit www.coalfieldjustice.org.

**We are working toward greater protections for landowners.
Lend your support by joining us today!**



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