

Questions to ask before signing an oil and gas lease

It is important to note that no one portion of an oil and gas operation is a stand-alone feature: from well pads to processing plants, there is a highly industrialized web of infrastructure needed to support the entirety of the operation. However, far too often, industry does not completely disclose the full capacity buildout of their planned operations so asking for more details and disclosures is essential. Having a fuller picture of exactly what might be planned for your property and your community is important.

How many wellheads are expected at each location? How many well pads are proposed?

What are the exact names/coordinates for each proposed well pad site?

From where will the water be drawn for well pad operations?

- How much water will be necessary for each well head?
- Over what period of time?
- How will the water be transported to the site?
- How many trucks per day, week, month, year?

How many trucks (per day, week, month, year) for:

- Well pad preparation? Be specific: for example, water trucks, waste trucks, delivery trucks.
- Well drilling?
- Fracking?
- Transportation of flowback, processed water, and freshwater to/from the wells, centralized wastewater impoundments, and wastewater processing facilities?

How many times will the wells be fracked? Over what period of time? What are the daily hours of operation? What steps will be taken to minimize noise, dust, etc.?

What are the exact truck routes planned to use for each of the following:

- Well preparation activities?
- Well drilling activities?
- Fracking activities?
- Compressor stations construction and operations?
- Processing plants construction and operations?

Please provide a list of all the pieces of infrastructure that will be associated with each well pad:

- Gathering lines exact location of each;
- Pipelines exact location of each;
- "Flowback" impoundments, "Freshwater" impoundments, and/or wastewater treatment facilities – total volume and exact location for each and how long wastewater will be at each location;
- Compressor stations how many and exact location of each;
- Processing plants exact location of each;
- Railyard loadout areas exact location of each and expected rail traffic (per day, week, month).

Contact:



Please provide full topographical map with all proposed operational sites clearly identified.

Where will the gas be processed? Is this an existing facility or will a new facility be proposed?

Questions to ask yourself and additional research you should do:

Ask about possible liens placed on private property – as detailed in the news article below:

<u>Liens Could be Obstacles for Gas Lease Holders</u>
http://www.timesonline.com/article/20140105/News/301059934

Can my homeowners insurance be affected?

- http://www.homeinsurance.org/oil-and-gas-leases-may-void-home-insurance/
- http://www.timesonline.com/article/20130227/News/302279681
 - "Our longstanding underwriting guideline is that we do not insure the oil and gas business," Nancy Smeltzer, a Nationwide spokeswoman, said. Nationwide's statement was prompted after a leaked memorandum that appeared on several anti-fracking groups' websites indicated that the company will not underwrite fracturing exposures.
 - "From an underwriting standpoint, we do not have a comfort level with the unique risks associated with the fracking process to provide coverage at a reasonable price," the statement read.

Can a signed lease affect my ability to sell my home in the future?

- http://www.nytimes.com/interactive/us/drilling-down-documents-8-intro-page.html
- https://www.zillow.com/blog/how-will-fracking-affect-your-property-value-and-mortgage-94281/

How might my property's mine subsidence insurance be impacted?

Learn more on how to become engaged in the oil and gas permitting and public participation process by visiting the Environmental Integrity Project (EIP) PA Citizens' Toolkit: https://www.environmentalintegrity.org/pennsylvania-citizens-toolkit/

Contact: