

# Landowners Find Strength In Coalition

NIAGARA FALLS, ONTARIO—Landowners remain a key part of developing the Marcellus Shale, and the Independent Oil & Gas Association of New York went to the source in its panel discussion on community groups and land administration.

The concluding event at the association's annual conference and trade show, held Oct. 26-28 in Niagara Falls, examined the expectations many landowners had of the leasing process, and how companies could meet or assuage them.

Moderated by Michael Joy, an attorney with Lipman & Biltekoff LLP, the panel consisted of:

- Michael Donovan, land manager for business development with Seneca Resources Corp.;
- Mike Uretsky with the North Wayne Property Owners Alliance (NWPOA) in Pennsylvania; and
- Gregory Sovas, president of XRM LLC, a New York-based consulting firm and primary consultant to the Twin Tiers Landowners Coalition.

When landowner coalitions first formed, natural gas companies seeking leases were afraid of them, Donovan reflected. "We worried about what kind of bargaining power they created. Over time, I would say they have been beneficial for both sides," he said.

For companies accumulating acreage, coalitions provide a chance to secure a number of individual leases in one transaction, Donovan said.

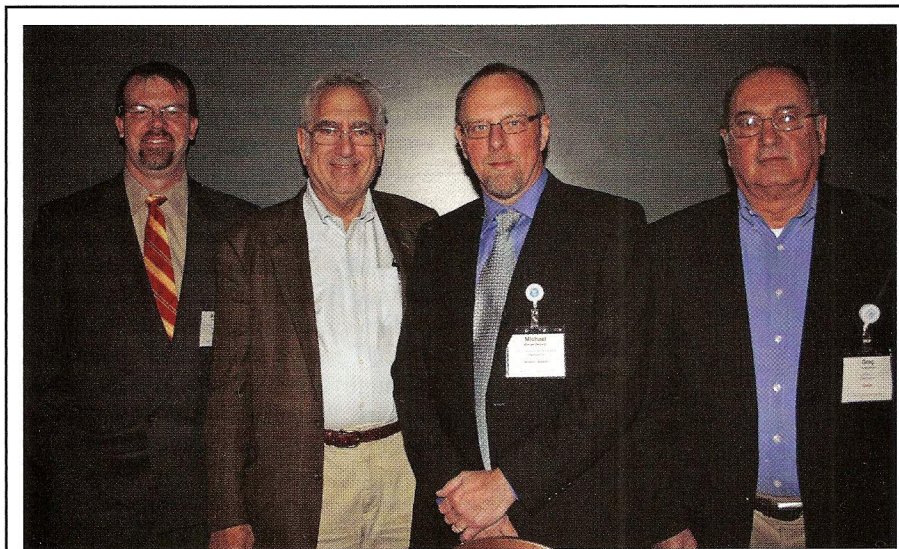
Uretsky and Sovas reported that working together as a property owners's association gave property owners more negotiating

power when dealing with gas producers, and it provided education and legal services. While the groups provide legal insights to association members, they emphasized that each landowner remained responsible for his individual lease.

Uretsky pointed out landowner coalitions had the potential to benefit the entire community. As an example, he cited the case of a town struggling to pay for water system upgrades. When gas exploration companies enter the area, they can work with town officials to develop a dry hydrant system that supports well activities, reduces truck traffic and

upgrades the town's emergency response infrastructure, he said. That system will remain in place long after the gas industry moves on, and thus provides long-term benefits to landowners, Uretsky held.

Sovas said landowner associations also had a role to play in matching property owners' expectations with what the gas industry was willing to pay in financial compensation as well as its operational practices. He reported his firm emphasized the importance of securing long-term environmental protection in any lease, which he held was more important than the short-term advantage of a larger cash bonus.



Participating in a panel discussion on producer/land owner relationships at the Independent Oil & Gas Association of New York's annual conference and trade show, held Oct. 26-28 in Niagara Falls were, from left, moderator Michael Joy and speakers Mike Uretsky, Michael Donovan and Greg Sovas.