

## NOTICE OF LANDOWNERS MEETING CONCERNING OIL AND GAS LEASES

The law firm of Dagger, Johnston, Miller, Ogilvie & Hampson, LLP, in Lancaster, Ohio, is holding an informational meeting for landowners about the benefits and burdens of oil and gas leases, as well as for those landowners who have issues or potential issues with existing leases.

The meeting is scheduled for Tuesday, January 31, 2012 at the Fairfield County Agricultural Service Center, 831 College Avenue, in Lancaster (located just north of Ohio University-Lancaster), in the meeting room. Doors open at 7:00 p.m. and the meeting will start at 7:30. Tom Stewart, the Executive Director of the Ohio Oil & Gas Association, will provide a presentation on oil and gas development in Ohio at 7:30. Chris Penrose, an educator concerning agriculture and natural resources with the Ohio State Extension Service in Morgan County, will make a presentation at approximately 8:15 which will review the pros and cons of leasing land for oil and gas, the process of drilling, and the impact on landowners. Time permitting, the Dagger Law Firm will review lease provisions important to landowners and discuss the purpose of a Landowners Group.

The law firm has formed a Landowners Group for landowners who want to allow an oil and gas lease on their property, as major oil and gas companies typically seek to acquire the rights to larger tracts. The Landowners Group will allow landowners to work together to negotiate the best gas lease possible with maximized terms for financial benefits and protection of the land.

The firm encourages landowners to become educated as much as possible about the process and what is involved. There is recent and significant oil and gas activity in Ohio in the Utica and Marcellus shales, which are deeper shale formations. There are third party companies now in our area making offers for leases with relative low amounts of money for the per acre bonus payment and with a relatively low royalty percentage. We have seen offers by third parties for as little as \$50 to \$100 an acre up front money and 12 ½ percent royalties, well below what has been offered by major oil companies in other counties. Landowners need to be aware of issues so they do not sign an unfavorable lease where they accept burdens but allow significant financial benefits to go to a third party. Some landowners in the more eastern Ohio counties have received significant financial offers, up front bonus payments of \$2,500 to \$5,000 per acre or more and royalty payments up to 20%.

Smaller tracts of acreage are being combined with other acres for unitization or pooling, leading to drilling units of 160 to 640 acres being developed with royalties to individual landowners on a pro rata basis based on their amount of acreage compared to the total amount of acreage in the drilling unit.

The firm's attorneys who are involved with oil and gas lease work are Robert Johnston, Mark Riegel, Carrie Snoke Lott, and Nicholas Grilli. They can be reached at 740-653-6464 or at the following e-mail addresses:

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