



Pipeline Easement Term Considerations

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Burdens vs. Benefits

- How does the pipeline burden your property?
- What benefits should you expect?

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Legal Counsel

- Seek legal counsel that is experienced with oil and gas law
- Discuss the effects on your land

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Use of Groups

- Should you join a landowner group?
 - Advantage: groups can raise awareness of key issues and alert you to the latest news and developments
 - Disadvantage: no two landowners will feel the same impact of the easement

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Location

- Are there areas that should be off limits?
- You will not be able to move the easement location later

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Location

- Easement location should be clearly and specifically described
- Request drawing or map to be attached to Easement

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Depth

- Typical depth of the pipeline is 36 inches
- May want a minimum of 48 inches

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Size

- What is the size of the pipeline(s)?
- Want to establish now so that larger pipeline cannot be installed later

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Width

- Typical Easement width is 50 feet on each side during construction
- Once installed, the Easement width should shrink to 25-30 feet on each side

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Construction Rights

- The Company will require more area to construct and install the pipeline than when the pipeline is in place
- Need to determine what portion of the Easement is temporary and what is permanent

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Construction Timeline

- When must construction begin?
- When must construction be complete?
- What happens if construction is not completed on schedule?

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Construction Standards

- What are the standards?
- Clearly define how the land will be restored after construction is complete
 - Soil removal and replacement methods (double ditching; original topsoil).
 - Soil enrichment
 - Reseeding
 - Restoration may need to be an ongoing process

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Timber Impacts

- Will timber be removed?
 - Who will remove?
 - Will there be payment to the landowner for the timber?
 - Restoration of the area

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Property Improvements

- Impacts on improvements (tile, fences, buildings, etc.)
- Livestock
- Are you precluded from placing future improvements in the area?

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Other Structures or Facilities

- Restrict right of Company to construct improvements on the easement area
- Compensation

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What is in the Pipeline?

- Limit to natural gas and constituents
- Generally prohibit other substances such as sewage, oil, wastewater, brine

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How many Pipelines?

- Do not leave the possibility open for additional pipelines within the same Easement agreement

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Pressure in the Pipeline

- How much pressure?
- The greater the pressure, the greater the risk of damage and injury
- Higher pressure should lead to greater compensation

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Indemnification

- Company should indemnify landowner and hold harmless against any future lawsuits that may arise out of or arising from the Company's use of the Easement

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Inspection and Maintenance

- Pipeline will need to be maintained
- Limit rights to enter onto property to maintain, repair, and replace
- Notice
- When would maintenance be the biggest burden to the landowner?

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Inspection and Maintenance

- Define the scope of access
- Define types of maintenance that may occur
- Additional costs to landowner from maintenance

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Marking the Easement Area

- How will easement area be marked?

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Landowner's Rights of Use

- Clearly define landowner rights to the easement area:
 - Crops
 - Trees
 - Grazing
 - Buildings and Improvements
 - Driveway and access
 - Possible future uses

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Termination of Easement

- When does easement terminate?
- How must company restore land upon termination?
- What are landowner's rights upon termination?

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Abandonment

- When is easement abandoned?
 - Lack of construction
 - Lack of use
- Same issues as termination with respect to parties' rights and duties

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Disputes and Problems

- Make sure you understand whether or not your rights are restricted to certain types of dispute resolution, such as arbitration

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Assignment

- Company generally retains the right to assign the easement to another company
- Be sure you understand the required notices of assignment

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Amendments to Easement

- Amendments should always be in writing and signed by both parties

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Warranting Title

- As with oil and gas leases, do not warrant title
- The company has ample resources to search your title history and determine whether there are existing encumbrances

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