

FIVE IMPORTANT CONSIDERATIONS IN LEASING

- (1) Who are you dealing with?**
 - (a) Does the company/individual have a vested interest for the long term?**
 - (b) Does the company/individual have the capability to pay you?**
 - (c) Is the company/individual an Exploration & Production Company?**
 - (d) Will the company be around to take care of your land for the long term and do they have a track record of commitment to the landowner?**
 - (e) Does the company/individual have an expertise in what they are talking about?**
 - 1. Deep Exploration**
 - 2. Oil & Gas Leasing in general**
 - 3. Do they do this for a living?**

Questions You may Have:

- (2) What are the terms of the lease?**
 - (a) Bonus**
 - 1. All acreage is not valued the same by oil and gas companies.**

2. **Do you get your money up front or do you have to wait until the company/individual sells the lease to a company?**
- (b) **Delay Rental**
- (c) **Term:**
 1. **Need time to develop the acreage properly.**
 2. **Is the area in an exploratory or development phase?**

Questions You may Have:

- (3) **Protection of the surface.**
 - (a) **Oil & Gas Operators Manual**
 1. **Compliance Responsibility**
 2. **Oil and Gas Management Practices**
(Includes fresh water protection and surface restoration)
 3. **PA Oil & Gas Act 223**
 4. **Dam Safety and Waterway Management**
 5. **Floodplain Management**
 6. **Oil and Gas Wastewater Permitting Manual**
 - (b) **Additional Addendums**
 - (c) **Legal advice from an Oil & Gas Attorney recommended if you have any unanswered concerns**

Questions You may Have:

(4) Promises or Agreements not contained in the Oil & Gas Lease

- (a) Make sure everything you agree on is in writing.**

Questions You may Have:

(5) Dealing with Third Parties

- (a) Seek advice from an attorney before entering into a contract for this party to act as your representative or consultant. You may not be able to get out of the agreement later.**
- (b) Claiming expertise, superior knowledge or a special lease form, even though they may not be an oil and gas attorney**
- (c) Guaranteeing/implying certain dollar figures even though they are not investing any of their money into the lease**
- (d) Implying they are working for a company or can sell it to a company since they are supposed to be representing your best interests**

Questions You may Have:
