Dear Neighbor,

Is there a gas lease on your land that is about to expire? If so, we urge you to stop, consider, and act carefully on your own behalf.

Since the time you signed your lease, the gas drilling situation in our area has changed dramatically. More and more information has come to light about the methods the industry will use to extract gas, and more and more reports of accidents associated with the drilling are coming from PA and other places in the US. We know that the story the landsmen gave us 5 years ago - small well pads, quick in and out of the drill rigs, no noticeable changes in the landscape - is not true of the new, unconventional, high-volume, slick-water hydraulic fracturing in horizontal well bores that the industry uses to drill the shale formations today.

The new extraction methods being used in the Marcellus shale are much more intensive and dangerous to both the environment and human health than the methods used in the past. Well pads are now much larger and require the support of thousands of truck transports and banks of massive diesel compressors that run 24/7, emitting air pollutants and deafening noise often a few hundred feet from homes.

If the expiration date of your lease is near, and you decide that a gas lease does not work for you at this time, do not sign and deposit or cash any check sent by the leasing company, and do not allow anyone to pressure you into leasing again. If you decide to let your lease expire, there are actions you need to take to ensure its expiration.

Attached is a packet of information we have prepared for landowners who are considering not renewing their gas leases. Although the information was compiled by an experienced environmental attorney, and can legally be used to effectively terminate an expired lease, you may want to consult your own attorney before taking action.

The **Lease Termination Packet** contains:

A) instructions on how to use the information to put a legal end to your expired lease
B) excerpts of the appropriate sections of the New York General Obligations Law 15-404
C) sample Notice Letter,
D) sample Affidavit of Service

If you decide to negotiate a new lease, time is on your side. Take the time you need to learn all you can and explore your options. Get expert advice. If you choose to hire a lawyer, be sure that lawyer has specific and extensive experience in negotiating gas leases. *Gas Drilling Awareness for Cortland County* is a group of Cortland County residents, with and without leases, who are concerned about the impact that drilling and the associated heavy industrial activity will have on our community and environment. Our goal is to educate ourselves and the community about gas drilling and to promote a safe and clean environment. More information on gas drilling and leasing, and links to other sites, can be found at our web site [http://gdacc.wordpress.com](http://gdacc.wordpress.com). If you would like to contact us please email <gdacc.cortland@gmail.com>

This package does not address the *force majeure* letters received by many lessees declaring the company’s right to arbitrarily extend a lease. GDACC is working on an information package on this situation. Check our website.
Part A  HOW TO TERMINATE A GAS LEASE IN NEW YORK STATE
UNDER GENERAL OBLIGATIONS LAW § 15-304

**FIRST** - BE VERY CAREFUL ABOUT CHECKS SENT TO YOU NEAR THE
EXPIRATION DATE OF YOUR LEASE. Many leases contain “delay rental”
clauses, which allow the company to extend the lease merely by sending such
a check; acceptance and cashing this check WILL EXTEND YOUR LEASE.

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Determine if your lease has been re-assigned to another gas company. You may
have received notice of any assignment, but the only safe way to determine if there
has been an assignment is to check with the County Clerk and search under the
name of the company who originally leased your lands. Leases are often assigned
in whole or in part to other companies by the original lessees, with no notice to the
land owners. Many county clerks’ offices have on-line available records. You will
need to send a notice to each company that still holds any share of the lease.

With the understanding that the land owner is the "lessor," and the gas company is
the lesee", read the sections of your lease that are titled "lease term", "lease
extension", and "termination".

Review the outline (enclosed) of the General Obligations Law 15-304.

**Wait to take your action until 10 days after the expiration date of the lease.**

Using the "notice letter" (enclosed) as your template, write your own notice letter to
the company currently holding your lease, and follow this template carefully as all of
this detailed information must be included in the notice letter/s. If there is more than
one lessor who signed the lease, **all lessors must** be listed in the notice letter. **Be
sure to use the current address** for the gas company.

A. Keep at least two copies of your notice letter for your file.

B. Send the original of the notice letter to the gas company by **certified mail,**
return receipt requested.

C. Prepare and **have notarized** an "affidavit of service" (enclosed). Make
and keep two copies for your file.

If the gas company does not respond within 30 days of their receipt of your letter/s,
file copies of your notice letter/s and affidavit/s of service at the County Clerk's office
in the county where the leased land exists. "By such filing the lease shall be
cancelled and of no further effect" (General Obligations law 15-304).
Part B   TERMINATION OF GAS LEASES:
NY’s GENERAL OBLIGATIONS LAW § 15-404:

[PLEASE NOTE: Since we always need to be prepared for resistance from the gas companies against termination, with the possibility of legal action, you need to follow these steps very carefully and keep accurate records.]

Subdivision (1) requires that once the lease terminates or expires on its own terms, the gas company [the lessee]: “shall provide the current owner of the land which is subject to the lease, without cost to the owner, a document in recordable form canceling lease . . .”;

Subdivision (2) provides that if the gas company fails to cancel the lease, as provided in subdivision (1), the current owner may serve notice upon the gas company, and all of the assignees, that: “such lease be cancelled as of record, and stating that if such release is not executed within 30 days of the service of the notice, the lease will be terminated and no longer in effect. Such notice shall also state:”

The names and addresses of the lessor and the lessee;
   The name and address of the person giving notice and a statement of his/her interest;
   The state, county, and town of the leased property, along with the location and a general description of the property as contained in the lease;
   “If located in a [spacing] unit, the name and description of the unit, if known;

If there is a well on the leased land, the name or number of the well if known;
   The date when the lease was signed;
   The date of the termination of the lease and the basis of such termination;

Service of such notice must be either personal or by certified mail to the last known address of gas company or assignee. If this is not possible—then by publication—once a week for 3 weeks in a paper of general circulation in the county where the land is located.

If the gas company claims that the lease has not terminated, but is still in effect, it must (within 30 days of service of the demand) file an affidavit in the county clerk’s office and serve a copy on the land owner within 10 days of the filing.

If not such affidavit is filed, the land owner can file a copy of the notice letter and an affidavit of service with the county clerk, and “by such filing the lease shall be cancelled and of no further effect.”
SAMPLE NOTICE LETTER
FOR
TERMINATION OF GAS LEASE

Your name
Your address
Today's date
Gas company name
Gas company's CURRENT address

RE: TERMINATION OF OIL and GAS LEASE

Tax map ID No.:
   Town of ____________________, _________________County, New York

Dear Sir/Madam:

I write on behalf of myself and fellow lessors:(___list names here__) who each have authorized me to write this letter and make the demands contained herein below. As your records indicate, collectively we are the lessors in this now terminated lease.

I write to remind you of your obligation under New York General Obligations Law § 15-304 (1) (Forfeiture and cancellation of oil, gas or mineral land leases), to send me the required “document in recordable form canceling the lease as of record in the county where the leased land is situated.”

This lease was signed on __________________________, and therefore was terminated by its own terms, on __________________________. Since you have failed to meet this statutory obligation within the 30 day period in § 15-304 (1), we/I hereby exercise our/my rights under § 15-304 (2) and are/am SERVING YOU WITH NOTICE that:

1. This lease was terminated by its own terms on __________________________.

2. You are obligated to send me the cancellation document mandated by
   § 15-304 (1)

3. If such cancellation document/release is not received within 30 days of your receipt of this Notice, please be further advised, that pursuant to § 15-304 (2)
(a), the lease will be terminated and no longer in effect.

4. Further, as required by § 15-304 (2) (a), the following information is being provided:

The lessee is: _______(gas company name and address here)__________.

The lessors are: ___________(names and current addresses)______________.

___(letter writer's name and address)___ is giving this NOTICE, as one of the lessors, with the authorization of the other lessors.

The leased premises are located in the Town of ________________, County of __________________, State of NY; tax parcel ID #__________________, which is a parcel of ______________ acres.

The leased premises are not in a unit.

There are no oil or gas wells on the leased premises.

The lease was executed on __________________________.

The lease was terminated on __________________________ due to the provision of the lease.

As noted, all correspondence in response to this Notice should be sent to me at the address at the beginning of this letter, and also contained above. Thank you for your attention to this matter.

Sincerely,

(letter writer's name here)

cc: (other lessors names here)
AFFIDAVIT OF SERVICE

STATE OF NEW YORK
COUNTY OF __________________________

_____ (letter writer's name here)____, being duly sworn, deposes and says that:

On ____(date)_________, I served a letter which contained a Notice of termination of an Oil and Gas Lease, pursuant to New York General Obligations Law §15-304 (2), upon ____(gas company name)____________, by mailing an original thereof to: _____(gas company address)____________via Certified Mail, Return Receipt Requested.

Sworn to before me this

_____ day of ___________________, ________

_____________________________
NOTARY PUBLIC