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Subject: : Conservation

Topic: : We won't see profits from Shale Gas.

Re: We won't see profits from Shale Gas.

Author: : geebee

Date: : 2013/10/16 14:48:04

URL:

Quote:

ryguyfi wrote:

The legal minimum of royalties for property owners is 12.5%. Most leases negotiated in the last 2 years are closer to 18%.

I'd like to see the information saying that .5% of leased property is owned by pa residents. From my experience in this industry working with property owners 1 on 1 I find this extremely hard to believe, especially seeing first hand where the wells are and seeing residential property right around them.

At one point recently (not sure if it changed) Mr AJ Palumbo was the largest individual property owner in the state of Pennsylvania and he was making 1mil a month in royalty income.

The Trusts I manage get 1-2 cents on the \$ of the refined sale price - yes you are right -probably 12 to 18% of the unrefined, undistributed price. But of course the drillers sell to their own parent co who charges for distribution, warehousing, refinement etc who then sells on to another subsidiary for wholesale or retail sale.

The piece i was given was by Penn State /PSU.