



Indiana
Oil & Gas Association

May 3, 2021

It has come to the Indiana Oil and Gas Association's attention that various companies are seeking surface leases for the installation of wind turbine farms and/or solar farms in Southwestern Indiana. This is both an exciting and new potential revenue stream for landowners and farmers. The development of wind, solar and other alternative energy sources is important as we move into the future and the Indiana Oil and Gas Association is welcoming and supportive of the development of all energy not just oil and gas.

The Association has had an opportunity to review some of the base leases offered to local landowners and we are troubled by some of the language that we have found. It is our view that the leases are too restrictive of subsequent surface uses and impose significant impediments to future mineral development. Furthermore, as the lease agreements are currently written, they in effect condemn the sub-surface minerals and the means to properly pursue their future development.

Here in Indiana, a few hundred feet can mean the difference between a dry hole which produces no oil and a tremendously profitable well that makes 100,000 barrels of oil. Additionally, oil is being developed locally from deeper, tighter rock formations and new technologies that are expanding oil horizons and recoveries.

To the layman, the language in these leases would lead one to believe that they are both accepting and tolerant of mineral development. We disagree. We would strongly recommend that you take proper consideration when evaluating such a lease and have an attorney review the contract language. It is our belief that the two industries can cohabitate and allow all forms of energy to be developed and produced in an effective and efficient manner.

If the sub-surface minerals under your property are severed from your surface ownership and another individual or entity owns or leases those minerals, then coordination between the wind/solar lessee should occur with the mineral owner or lessee. This would allow for both the mineral owner/lessee of such severed minerals and the wind/solar lessee to pre-plan to arrange for lease specific items to be addressed on the front end rather than in a legal battle down the road.

If you are both the surface and mineral owner and your minerals are unreleased, then you should still consider contacting an attorney with good understanding of oil, gas, coal, and other sub-surface minerals so that you may negotiate the wind/solar lease agreement to allow for the potential future development of your valuable minerals.

Representatives from Indiana Oil and Gas Association would be most happy to discuss our concerns in greater depth or specificity should that be of interest. Please feel free to contact us should you have any questions, concerns, or require any additional information. It is our goal to be a resource to the community, while being a voice for our members. Thank you for your consideration of our concern.

Respectfully,

Brandi Stennett

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