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THE SHALE PLAY TODAY



News & Insights from the Marcellus and Utica Shales



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Yours, Mine or Ours?

Morgan Clarifies Surface Versus Mineral Ownership in W.Va.

On June 13, 2013, the West Virginia Supreme Court of Appeals (WVSCA) issued its decision in *Faith United Methodist Church & Cemetery of Terra Alta, et al. v. Morgan*, No. 12-0080, setting forth a clear definition of the term "surface" when used in deeds and other instruments of conveyance. This definition will weigh importantly on the state's shale gas industry.

At issue in *Morgan* was the meaning of "surface" in deeds conveying interests in 225 acres of property in Preston County, West Virginia. The 225-acre tract was originally acquired in 1863 by Calvin Forman. Upon his death, the property was divided equally and distributed among his seven children. By 1902, Walter Forman, Calvin's son, had acquired five of his siblings' shares of the property, making him the owner of six of the seven shares of the 225-acre tract. That same year, Walter and his sister Florence, owner of the single remaining share, conveyed by deed all the coal upon and under the tract. Finally, in 1907, Florence conveyed to Walter her "one-seventh undivided interest in the surface only (the coal and mining privileges having previously been sold)." The petitioners in *Morgan* were two churches that succeeded to Florence's interest in the 225-acre tract;

In The News



In Northwestern Pa., Gas Drilling Targets Utica

as reported in *Gas Daily*, Volume 30, Issue 103

Pennsylvania, the heart of Marcellus Shale gas drilling activity, generally has been divided into two major producing regions: the Southwest, heavy on natural gas liquids, and the Northeast, almost entirely a dry-gas basin. Now a third area of the Keystone State has emerged as one that analysts and producers agree is worth drilling - but the Marcellus formation isn't what's driving the desire to poke holes in the ground.

[Read more.](#)



2012 Pa. Impact Fees

Natural gas drillers in Pa. will pay \$202.47 million in per-well impact fees for 2012. About half the money will go to counties and localities affected by drilling, with the remaining half going to long-term projects and state agencies working on drilling matters.

[Read more.](#)



Shale Oil & Gas Estimates Rising

The U.S. Energy Information Administration's recent estimate of technically recoverable shale resources is up 10 percent from its 2011 estimate. Among the 41 countries assessed, the U.S. is ranked second for shale oil resources

the respondent Marvin Morgan purchased Walter's interest in 1967.

Almost 45 years after acquiring the 225-acre tract, Morgan filed a declaratory judgment action in the Circuit Court of Preston County requesting the court find he is sole owner of all oil and gas under the tract. The defendant churches responded that Florence's 1907 deed explicitly conveyed only the surface rights; therefore, they retained a 1/7 undivided interest in the underlying oil and gas.

[Read the full article on our website.](#)

and fourth for shale gas resources. However, the agency considers all such estimates to be highly uncertain until each formation is extensively tested with production wells.

[Read more.](#)



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Featured Shale Team Member



Lisa M. Hawrot
(Wheeling, W.Va.)

Ms. Hawrot's practice areas include real estate and general litigation. She is admitted to practice law in both West Virginia and Ohio, where she represents clients in various real estate matters such as surface and mineral title examinations. In addition, Ms. Hawrot regularly works with valuation experts to assess

business and real estate interests. [View her full professional biography.](#)

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