

What to Know and What to Do When a Landman Comes to Your Door.

1. Know that there is no eminent domain for gas leasing. And no eminent domain for the gathering lines from the well.
2. These women and men are generally Independent Contractors, and are paid both a day rate, signing bonuses, extension bonuses, and bonuses for a lease with no changes from the Company's template lease
3. Landmen know the psychology of sales and will beat the landowner every time unless the landowner says no and gets professional skill on his or her side.
4. Lease is a complex business transaction masquerading as a lottery ticket.
5. Lease is a transfer of the right of possession of your land. Be sure to limit where and when the company can enter, use and occupy your land.
6. If you sign a lease, do not let the landman leave without keeping an exact copy of the lease and only if every blank is filled in or marked not applicable.
7. If you have any doubt about signing the lease, you have 3 business days to cancel it. You need to cancel using the form in your copy, send it in after making a copy and return any money with it.
8. Always have the lease reviewed by an attorney who knows something about leasing. Ask him or her to do the mathematics for you. If he can't do the math, then go to another attorney.
9. Some items which can truly hurt you if you do not know them:
 - The 'as so long as' clause which can extend the lease longer than your lifetime.
 - The royalty versus the bonus. The royalty being far more important.
 - Surface rights issues. You have effectively sold your property.
10. Three mantras:
 1. This is a complex business transaction masquerading as a lottery ticket.
 2. Know for what reason you own the land. If the lease does not protect it, then don't sign the lease.
 3. Do the math.