

Gas Lease Termination

Challenges for New York State Landowners with Gas Leases

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Having a gas lease encumbers the title on the leased property. Even when the lease has expired, property owners usually have to take action to get the termination recorded and clear their title.

The primary term on my gas lease has expired. Isn't my property title clear now?

Gas companies generally file the lease or a memorandum of lease in the land records at the county clerk's office. The land records will show an encumbrance on title until a notice is filed that the lease is terminated.

I've checked with a lawyer to make sure there are no provisions in my lease extending the primary term, and I know the gas company hasn't sent me anything. Do I have to do anything else to clear my title?

If your gas lease has in fact expired by its own terms, the gas company is legally required under New York General Obligations Law 15-304 to provide you, free of charge, "a document in recordable form cancelling the lease." However, there is no penalty for non-compliance, and gas companies have frequently ignored this obligation. The burden is then placed on the landowner to pursue lease termination and clearing of title.

What is the legal process for clearing my title?

The General Obligations Law has very specific requirements. An attorney can help you navigate them. It is possible that your lease was sold in part or in its entirety without your knowledge. You will need to send legal communications to the current address of each entity that holds a share of your lease. To make sure you have the latest information about your lease's assignment status, you need to visit the county clerk's office (in the county where your leased land is located) and search their records. If any entity that owns a portion of the lease contests the termination, they can file an affidavit with the county clerk that the landowner must then challenge. Instructions for the necessary procedures can be found on the GDACC and Fleased websites noted below.

For more information:

- www.fleaded.org (Click on "Resources")
- <http://gdacc.wordpress.com/>
- **General Obligations Law Title 3, § 15-304: "Forfeiture and Cancellation of Oil, Gas or Mineral Land Leases"**
<http://codes.lp.findlaw.com/nycode/GOB/15/3/15-304>



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