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**Part A HOW TO TERMINATE A GAS LEASE IN NEW YORK STATE
UNDER GENERAL OBLIGATIONS LAW § 15-304**

FIRST - BE VERY CAREFUL ABOUT CHECKS SENT TO YOU NEAR THE EXPIRATION DATE OF YOUR LEASE. Many leases contain "delay rental" clauses, which allow the company to extend the lease merely by sending such a check; acceptance and cashing this check WILL EXTEND YOUR LEASE.

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Determine if your lease has been re-assigned to another gas company. You may have received notice of any assignment, but the only safe way to determine if there has been an assignment is to check with the County Clerk and search under the name of the company who originally leased your lands. Leases are often assigned in whole or in part to other companies by the original lessees, with no notice to the land owners. Many county clerks' offices have on-line available records. You will need to send a notice to each company that still holds any share of the lease.

With the understanding that the land owner is the "**lessor**," and the gas company is the "**lessee**", read the sections of your lease that are titled "lease term", "lease extension", and "termination".

Review the outline (enclosed) of the General Obligations Law 15-304.

**Wait to take your action until 10 days after the expiration date of the lease.**

Using the "notice letter" (enclosed) as your template, write your own notice letter to the company currently holding your lease, and follow this template carefully as all of this detailed information must be included in the notice letter/s. If there is more than one lessor who signed the lease, **all lessors must** be listed in the notice letter. **Be sure to use the current address** for the gas company.

- A. Keep at least two copies of your notice letter for your file.
- B. Send the original of the notice letter to the gas company by **certified mail, return receipt requested**.
- C. Prepare and **have notarized** an "affidavit of service" (enclosed). Make and keep two copies for your file.

If the gas company does not respond within 30 days of their receipt of your letter/s,

file copies of your notice letter/s and affidavit/s of service at the County Clerk's office in the county where the leased land exists. "By such filing the lease shall be cancelled and of no further effect" (General Obligations law 15-304).

Part B     **TERMINATION OF GAS LEASES:  
NY's GENERAL OBLIGATIONS LAW § 15-404:**

[ PLEASE NOTE: Since we always need to be prepared for resistance from the gas companies against termination, with the possibility of legal action, you need to **follow these steps** very carefully and **keep accurate records.**]

Subdivision (1) requires that once the lease terminates or expires on its own terms, the gas company [the lessee]: "**shall provide the current owner of the land which is subject to the lease, without cost to the owner, a document in recordable form cancelling lease . . .**";

Subdivision (2) provides that if the gas company fails to cancel the lease, as provided in subdivision (1), the current owner may serve notice upon the gas company, and all of the the assignees, that: "such lease be cancelled as of record, and stating that if such release is not executed within 30 days of the service of the notice, the lease will be terminated and no longer in effect. Such notice shall also state:"

The names and addresses of the lessor and the lessee;

The name and address of the person giving notice and a statement of his/her interest;

The state, county, and town of the leased property, along with the location and a general description of the property as contained in the lease;

"If located in a [spacing] unit, the name and description of the unit, if known;

If there is a well on the leased land, the name or number of the well if known;

The date when the lease was signed;

The date of the termination of the lease and the basis of such termination;

Service of such notice must be either personal or by certified mail to the last known address of gas company or assignee. If this is not possible—then by publication—once a week for 3 weeks in a paper of general circulation in the county where the land is located.

If the gas company claims that the lease has not terminated, but is still in effect, it must (within 30 days of service of the demand) file an affidavit in the county clerk's office and serve a copy on the land owner within 10 days of the filing.

If not such affidavit is filed, the land owner can file a copy of the notice letter and an affidavit of service with the county clerk, and ***“by such filing the lease shall be cancelled and of no further effect.”***

## SAMPLE NOTICE LETTER FOR TERMINATION OF GAS LEASE

Your name  
Your address  
Today's date  
Gas company name  
Gas company's **CURRENT** address

**RE: TERMINATION OF OIL and GAS LEASE**

Tax map ID No.:

Town of \_\_\_\_\_, \_\_\_\_\_ County, New York

Dear Sir/Madam:

[Start here if more than one lessor signed the lease. ]

I write on behalf of myself and fellow lessors:(\_\_\_ list names here\_\_\_)  
who each have authorized me to write this letter and make the demands  
contained herein below. As your records indicate, collectively we are the lessors  
in this now terminated lease.

[Start here if only one signature is on the lease]

I write to remind you of your obligation under New York General Obligations Law  
§ 15-304 (1) (Forfeiture and cancellation of oil, gas or mineral land leases), to  
send me the required “document in recordable form canceling the lease as of  
record in the county where the leased land is situated.”

[Include the following paragraph if the company tried to extend your lease by  
invoking force majeure]

Our lease expired by its own terms on \_\_\_\_\_, and your  
company's attempt to extend it beyond its primary term, by invoking force  
majeure, has now been rejected by the United States District Court for the  
Northern District of New York, when Judge David Hurd ruled on November 15,

2012 in the case of *Aukema, et al. vs. Chesapeake, et al.*, Docket No. 3:11-cv-00489, that: "Accordingly, force majeure whether common law or express, does not extend the leases".

This lease was signed on \_\_\_\_\_, and therefore was terminated by its own terms, on \_\_\_\_\_. Since you have failed to meet this statutory obligation within the 30 day period in § 15-304 (1), we/I hereby exercise our/my rights under § 15-304 (2) and are/am SERVING YOU WITH **NOTICE** that:

1. This lease was terminated by its own terms on \_\_\_\_\_.

2. You are obligated to send me the cancellation document mandated by § 15-304 (1)

3. If such cancellation document/release is not received within 30 days of your receipt of this Notice, please be further advised, that pursuant to § 15-304 (2) (a), the lease will be terminated and no longer in effect.

4. Further, as required by § 15-304 (2) (a), the following information is being provided:

The lessee is: \_\_\_\_\_(gas company name and address here)\_\_\_\_\_.

The lessors are: \_\_\_\_\_(names and current addresses)\_\_\_\_\_.

\_\_\_\_\_(letter writer's name and address)\_\_\_ is giving this NOTICE, as one of the lessors, with the authorization of the other lessors.

The leased premises are located in the Town of \_\_\_\_\_, County of \_\_\_\_\_, State of NY; tax parcel ID # \_\_\_\_\_, which is a parcel of \_\_\_\_\_ acres.

The leased premises are not in a unit.

There are no oil or gas wells on the leased premises.

The lease was executed on \_\_\_\_\_.

The lease was terminated on \_\_\_\_\_ due to the provision of the lease.

As noted, all correspondence in response to this Notice should be sent to me at the address at the beginning of this letter, and also contained above. Thank you for your attention to this matter.

Sincerely,

(letter writer's name here)

cc: (other lessors names here)

# AFFIDAVIT OF SERVICE

STATE OF NEW YORK  
COUNTY OF \_\_\_\_\_

\_\_\_\_\_(letter writer's name here)\_\_\_\_\_, being duly sworn, deposes and says  
that:

On \_\_\_\_ (date)\_\_\_\_\_, I served a letter which contained a Notice of  
termination of an Oil and Gas Lease, pursuant to New York General  
Obligations Law §15-304 (2), upon \_\_\_\_ (gas company  
name)\_\_\_\_\_, by mailing an original thereof to: \_\_\_\_ (gas company  
address)\_\_\_\_\_ via Certified Mail, Return Receipt Requested.

Sworn to before me this

\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_

\_\_\_\_\_  
NOTARY PUBLIC