

Licking County Land Owner Protection Group

Protecting the residents of Licking
County with education and
community involvement

Licking County Land Owner Protection Group

Mission Statement

- Our goal is to form a group that is interested in protecting property rights, our counties environment, and the financial well being of rural and urban residents of Licking County during the development of oil and gas fields in Ohio by ensuring local and state officials, along with major corporations, hear a unified position that our interests will not be overlooked in the rush to profit.
- Stop the Enterprise ATEX Express Pipeline in Licking County and in Ohio!
 - Sign our petition at:
- <https://www.change.org/petitions/jerry-newton-licking-county-planning-commission-governor-ohio-john-kasich-stop-the-enterprise-atex-express-pipeline-in-licking-county-and-in-ohio>

Licking County Land Owner Protection Group

Who are we

- We are landowners in Licking County
 - Dave Bonifant
 - Mike Dorogi
 - Jason Black
- We are not represented by any legal counsel.

Licking County Land Owner Protection Group

Our goals for ATEX Pipeline

- Primary - STOP the installation of the Enterprise ATEX Express pipeline through Licking County and all of Ohio
- Secondary – Educate the people of Licking County about the impacts and considerations should Enterprise choose to continue and our government representatives choose to support Enterprise rather than the people of the county.

Licking County Land Owner Protection Group

Please Take Action

- Sign our petition to send a message to government officials and Enterprise that we do not want the pipeline in Licking County.
 - <https://www.change.org/petitions/jerry-newton-licking-county-planning-commission-governor-ohio-john-kasich-stop-the-enterprise-atex-express-pipeline-in-licking-county-and-in-ohio>
- Visit our website: www.lcgao.weebly.com

ATEX Pipeline by Enterprise

About Enterprise

Business Profile

- Enterprise Products Partners L.P. has grown significantly since its IPO in July 1998, increasing its asset base from \$715 million to \$31 billion at December 31, 2010. This phenomenal growth is a result of both acquisitions, as well as expansions from organic growth opportunities. Listed below is our current portfolio of assets.
- 2011 Sales of \$45 billion with \$2.3 billions profit.

Overview of Combined Operations

- Pipelines
 - 50,200 miles of natural gas, NGL crude oil, refined products and petrochemical pipelines
- Storage (Salt Dome)
 - 192 million barrels (MMBbls) of NGL, refined products and crude oil storage capacity
 - 27 billion cubic feet (Bcf) of natural gas storage capacity
- Natural Gas Processing
 - 25 natural gas processing plants
- Marine Services
 - 58 tow boats
 - 117 barges
- Fractionation
 - 19 NGL and propylene fractionators
- Platforms
 - 6 offshore hub platforms
- NGL Import/Export Terminals
 - Houston Ship Channel Import Terminal capacity – 14 MBbls/hr
 - Houston Ship Channel Export Terminal capacity – 7 MBbls/hr

- Another big, profitable oil and gas company doing business in Licking County

ATEX Pipeline by Enterprise

- The 1,230 mile Appalachia-to-Texas (ATEX) Enterprise pipeline will stretch across 13 central and southern Ohio counties, including Licking, to transport millions of barrels of ethane to the Texas Gulf Coast. If your property is in the path of the pipeline, the company behind it will be looking to secure an easement agreement. What you don't know can lock you into something that could negatively affect your property and pocketbook for many decades to come.
- Proposed 16 inch diameter pipe with 190,000 barrels per day capacity. Enterprise makes \$0.15 per gallon or \$572,137,500.00 per year.
 - Landowners should get their share!!!!

ATEX Pipeline by Enterprise

- Enterprise has existing pipelines in Licking County
 - Original routes for pipeline between Newark and Granville by Cherry Valley Road
 - Lobbying by Granville residents, Granville officials, with support of Licking County officials influenced Enterprise to pursue alternate routes.
 - Current Enterprise plan now places route through more than 200 rural Licking Valley residential properties.

ATEX Pipeline by Enterprise

- Pipeline companies typically attempt to secure new easements along existing pipeline easements.
- Proposed Enterprise route parallels Dominion's pipeline through most of Licking County.
- Dominion Pipeline and Easement
 - 90 foot easement
 - Currently has one 36 inch diameter natural gas pipeline operating at 850 psi.
 - Built in 1968 (that's old!)
 - It is now static. Gas does not flow from Texas to the NE anymore.
 - Has provision for installing a second pipeline.
 - Annihilation radius for N.G. explosion of pipe this size is 800 to 1200 feet, with additional fire hazard outside this zone.

http://www.forensic-appraisal.com/potential_danger

ATEX Pipeline by Enterprise

- Enterprise Pipeline proposal
 - Ethane, not natural gas
 - Heavier than air, non-exploding leaks will settle in low spots, valleys. Highly toxic – will suffocate quickly.
 - Liquid in pipeline due to high pressures. Changes to gas at atmospheric pressure (leaks).
 - Pipeline at best will be placed 25 feet from edge of Dominion ROW. Total permanent easement now will be 140 feet wide. Additional clearing for temporary easement brings total to 180 feet they will clear.
 - Still within annihilation radius of Dominion pipeline, even though its underground.

ATEX Pipeline by Enterprise

- Enterprise Pipeline proposal
 - Minimal local jobs. Current survey firms from out of state. The 5 surveyors on my property last week were from Arkansas. They stated this is a 2 year construction project for them.
 - Pipeline installation crews will be re-located from Texas and other locations for the duration of the project.
 - Once the pipeline is up and running – employment will end, revenue sources will dry up, and we will be left with maintenance and infrastructure concerns.
 - No long term jobs will be created. We need to lobby for a processing plant, not a pipeline!

All about Easements

- What is an Easement?
 - An easement is a limited right to use the land of another for a specific purpose. Unlike a sale of land, an easement contemplates a continuing and long-term relationship between the landowner and the easement holder (the “Pipeline Company”).
- Price per Linear Foot or Acre? NEITHER:
 - Historically, the pipeline company pays the landowner in price per foot or per acre for farm land of the property that the pipeline passes. The price is based on the length of the easement. Some companies offer prices based on linear rod, not linear foot. When calculating, one (1) linear rod equals sixteen and one half feet (16.5'). The variations in offers by the pipeline company to different landowners can exceed 500%. It is not favorable to landowners.

All about Easements

- Damage to the Residual value of the property:
 - In many cases, damage to the land not taken can exceed the value of the land that the pipeline actually passes.
 - These damages include crop damage due to loss of productivity in future years, loss of access and the ability to develop the land through which the pipeline passes for nonagricultural purposes, loss in value of structures that the pipeline is located near, and damages due to fear of pipeline leaks or explosions.
 - In these cases, the damages are, of course, aggravated if the pipeline is passing near an occupied structure or a residence.
 - Since no plantings are allowed on pipeline, only fields and grasses are allowed, creating an on-going mowing expense – especially if location dictates it be mowed weekly.
 - Require pipeline company to reimburse land owner for annual cost of mowing, adjusted for inflation for the next 50 years.
 - Consider that no trees may be planted on the easement for wind or visual breaks.
 - Easements will last for more than a century. This is several harvests of mature timber that can no longer be planted on the easement area.

All about Easements

- Pipeline Depth Below Surface:
 - Most easement agreements offer a depth of thirty-six inches (36") underground.
 - In order to protect the landowner's future development options, they should request a minimum of forty-eight inches (48").
 - In fact, Ohio model regulations require a minimum depth of 36"-48" depending on the type of soil involved. They require even deeper construction if subsurface drainage systems or tiles exist along the pipeline route.
 - Consider farm equipment, erosion over time (easements are forever), and logging equipment that may cross the pipeline. The pipeline company will likely object to fully loaded logging trucks crossing a pipeline only 3 feet deep.
 - Demand 5 to 6 feet in any areas where you may have a crossing or need access for logging or other agricultural purposes.
 - Also – 3' deep is often how deep fence posts are; requiring deeper pipeline installation ensures minimal chance of augers hitting pipeline.

All about Easements

- Width of the Easement and Temporary Construction

Easement:

- Landowners should negotiate two easements. First, there is the permanent pipeline easement. This easement lasts until the pipeline is abandoned. Pipeline companies usually ask for a 50-foot-wide easement.
- Second, there is the temporary construction easement that gives the company more space, in addition to the pipeline easement, in order to construct the pipeline. The width of this easement generally ranges from 20 to 40 feet. This easement should end at a specified date (often at the end of construction).
- Require written documentation of location of pipeline and easement on deed. Require the pipeline company to document that it has been recorded properly.
- Require written verification that pipeline has permission to move heavy equipment over existing pipelines and easements.

All about Easements

- Nature and Location of Any Surface Facilities:
 - Pipelines require some surface facilities. Unless the easement states differently, the company can place facilities wherever they want. Therefore, landowners should restrict the existence, number and location of surface facilities as much as possible.
- Size of Pipeline:
 - Landowners should specify the diameter of the pipeline to be used so that the company cannot replace the pipeline with a larger one at a later date.
- Materials/Substances Permitted in Pipeline:
 - Landowners should try to limit the materials allowed to be used in the pipeline to only natural gas, and should try to exclude other, more harmful, materials, such as sewage or crude oil. The landowner should also require that the gas be scented
- Landowner Indemnification:
 - The company should indemnify the landowner from the actions or omissions of the independent or subcontractors during both the construction and operations period.

All about Easements

- Identification of Contractors:
 - Landowners should require the identification of any independent or subcontractors that the company intends to use during construction.
- Damages Caused by Contractors:
 - The landowner should make the pipeline company strictly liable for any and all damage caused by company's employees or the company's contractors.
- Landowner's Rights and Restrictions to Use Easement Area:
 - The landowner should try to retain his or her ability to use and enjoy the easement area once construction has finished. There may be some rights that the landowner will want to expressly reserve such as the right to build parking lots, driveways, landscaping, etc.

All about Easements

- Easement Area Access:
 - The landowner should try to limit the ability of the company's employees and representatives to access the easement area. For example, the landowner could limit access to certain hours of the day or request some form of notice. In addition, the agreement should state the permitted route of ingress and egress, i.e. access to the easement area.
- Easement Area Restoration:
 - The landowner should make the company restore any damaged land due to the construction or operation of the pipeline. This could include reseeding or other landscaping. This could also include specific payments for loss of tress, crops, etc.
- Easement Agreement for Single Line:
 - The landowner should make the easement agreement pertain to only a single pipeline. Without this provision, the company could place more pipelines along the same route without having to secure another easement.

All about Easements

- Restrictions on Activities Outside the Easement Area:
 - Landowners should restrict all activities to the Easement Area and require written authorization before any company employees or personnel can venture outside that area.
- Identification of Stream Crossings:
 - The company should identify all streams that it intends to cross, including a detailed statement of how it intends to cross the stream, and a statement regarding the stream restoration.
- Types of Roads That Can Cross the Easement Area:
 - The landowner should specify which kinds of roads he or she can build across the easement without the company's permission. This will help the landowner maximize the property's future use.
 - If any special precautions are required for installing a driveway, roadway, or other access due to presence of pipeline – require the pipeline to provide services and materials to construct that feature.
 - Require the pipeline to perform any trenching or tile installations in easement zone within 30 days of request since trenching across pipelines is the number one reason for pipeline explosions.
- Types of Ponds, Lakes or Tanks That Can Cross Easement Area:
 - The landowner should specify which kinds of ponds, lakes or tanks he or she can build on the easement area without the company's permission. This will help the landowner maximize the property's future use.

All about Easements

- Identification of Pipeline Company Contact:
 - The company should provide the contact information of a pipeline company contact person to the landowner. In addition, the company should provide the landowner with 30 days notice if the contact person will change.
- Third-Party Easements: The landowner should specify two things.
 - First, he or she should restrict the company's ability to assign easements to third parties across the easement area. This prevents another company from using the easement without your permission.
 - Second, the landowner should reserve the right to grant certain additional easements to third parties across the easement area. Another company may want an easement across the pipeline easement in the future.

All about Easements

- Written Timetable for Construction:
 - The landowner should be provided with a timetable for construction and installation.
- Define Abandonment:
 - The company should define “abandonment” in the easement agreement This will help avoid disputes in the future. Such provisions often define abandonment as a minimum period of time when the pipeline is no longer being used.
 - Require the pipeline company to provide written documentation on the life expectancy of the pipeline.
- Documentation of maintenance performed
 - Require all maintenance procedures performed to be publically available via corporate websites, searchable by zip code. Also require quarterly publication of maintenance logs in local and state newspapers.
 - Require maintenance to state, local, and industry best practices.
- Removal of Structures:
 - The landowner should require the company to remove its structures and pipeline if the pipeline is abandoned. Without such a provision, the company can leave its old structures on your land, which hurts the future use of the property.
 - Consider a requirement that funds should be held in trust for the removal of the pipeline. The trust should survive any bankruptcy proceedings.
- Choose an Alternative Dispute Resolution Method:
 - The landowner and company should agree on a method of dispute resolution in case disagreements arise at a later date. Landowners should look for a method that is cheap and efficient.

All about Easements

- Disaster response planning:
 - Consider requiring a trust fund, training, or other donation for your local county EMS.
 - Ask the pipeline company to recommend escape and evacuation routes from your property in the event of a leak or explosion.
 - Ask the pipeline company to document the damage radius should an explosion occur.
 - If your only access to property is immediately adjacent to the pipeline, ask them to install a remote driveway.

All about Easements

- Consider offsetting the value loss to your property by requiring an on-going monthly payment tied to the production capacity of the pipeline and the number of feet of pipeline on your property. This payment should survive property transfers – thus providing some value to potential buyers.
 - Ask for \$0.01 per gallon-foot. In my case – the pipeline crosses 400 feet of my property resulting in a payment of \$6.44 per day or \$2,349.25 per year for the 190,000 barrel per day capacity.
 - Keep in mind, Enterprise makes \$572,137,500.00 PER YEAR.
 - Payments to all landowners for all 1230 miles of pipeline amount to only \$38,142,500 per year. If we, as landowners, are required to give up our property rights for the good of the many, we should be compensated fairly.
 - Petition Licking County to reduce your property taxes.
 - Go to <http://www.lcounty.com/treasurer/>
 - Ask the county to reduce your property taxes by 50% due to loss of value of your property.
 - Call Scott Ryan – Licking County Treasurer at (740)670-5010 to start the process.

All about Easements

- Require the pipeline company to notify (new) property owners of easement whenever transfer of property occurs (within 30 days).
- Require pipeline company to notify landowner in writing if easement is to be transferred to another legal entity.
- Require immediate payment to landowners of \$100,000 per leak per landowner and \$500,000 per explosion per landowner within 2000 feet of incident zone, regardless of cause. Payments are not to remove right to file lawsuit.
- Document location of pipeline on deed. Provide map of property with locations. Provide all updated title documents. Provide markings as desired on property.
- Drilling mud is used to bore under roads. Require water testing – especially in shale soils where high pressure mud drilling operations can contaminate ground water supplies.
- Payments for future value should recognize additional maintenance burden on part of landowner. Previously forested area will now be grassy fields. If in visible areas, weekly mowing can be expensive. That is additional area to mow for life of pipeline.

Eminent Domain

- Enterprise is allowed to assert Eminent Domain according to Ohio Law.
 - We need to petition our representatives to change Ohio eminent domain laws to fairly represent the landowners.
 - Requires “Public Benefit”.
 - What is the public benefit to this pipeline in addition to all the others in Licking County?
 - It does not directly or indirectly benefit our community (locally or statewide). It provides benefit to Enterprise only since they now OWN the infrastructure (pipeline) and can negotiate long term contracts for moving Ethane. There are other pipelines that can do this today. Holistically, there is no need OR demand for the extra capacity brought on by this pipeline. It already exists, just with other pipeline companies.
 - Short term payroll tax increases from out of state workers will come, but after 2 years, then we face the “bust cycle” when they leave, move out, stop renting, and go home. This leaves us behind in the long run.

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