

Oil and Gas Opportunities

The last few years have been buzzing with news and opportunities surrounding the potential development of the Marcellus Shale. It is an exciting time for landowners looking at potential financial windfalls from leasing and drilling opportunities, but many face confusing and difficult decisions.

SSB understands the tax implications of oil and gas choices and, working with legal counsel, can help you sort through the complexities. A financial windfall is a welcome event, and we can help you plan to handle it responsibly for you today and for future generations.

We work closely with your attorney to develop the best strategies in dealing with drilling companies as well as how to structure the transaction to minimize taxes. If you do not have an attorney, SSB can recommend attorneys who are knowledgeable in structuring these transactions.

If you are contemplating entering into an oil and gas lease, call SSB and let us help you sort through all of the surrounding tax complexities and benefits available in order to arrive at a sound plan. We've been helping individuals and businesses by providing sound strategic tax advice for over thirty years and would welcome the opportunity to serve you.

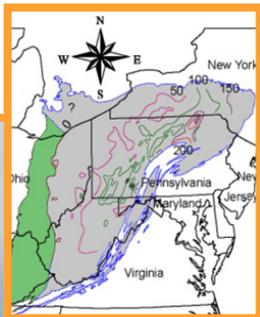
From a tax perspective, SSB can help you to:

- Understand tax issues related to your mineral rights
- Distinguish the differences in selling the rights vs. leasing your rights
- Review your contracts along with legal counsel from a financial and tax perspective, offering insight into options and outcomes
- Understand the various types of income payments, including lease income, signing bonus payments, delayed rental payments and royalty payments
- Look for additional allowable expenses to reduce your taxes
- Plan for the income tax effect of the development funds and various payments you receive, including preparation of tax projections as well as help in planning the timing of payments to avoid income bunching and tax bracket creep
- Understand the allowable deduction for depletion, especially percentage depletion, which may allow up to 15% of royalty payments to escape taxation
- Look at long-term strategic planning for your mineral rights—both income and estate tax considerations
- Preserve your newfound wealth



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Opportunities are also available to ancillary businesses that serve the drilling operations and can include pipeline and right-of-way access and other drilling support programs. SSB can assist these businesses in their planning and targeted growth by helping them to better understand the related financial and tax issues.



Did you know?

A 2008 study by Gary Lash and Terry Englander estimates that the Marcellus Shale might contain more than 500 trillion cubic feet of natural gas?

The Marcellus Shale is nearly a mile below the surface for most of its extent?

Most drilling in the Marcellus Shale is done by horizontal drilling techniques?

In 4 years since 2007, the number of wells drilled in Pennsylvania increased from 27 wells to 1,386 in 2010?

Many Ohio landowners hold mineral interests in the Utica Shale?

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