



CHESAPEAKE'S ENERGY LEASES DROPPED IN FRACKING-SHY NEW YORK

Landowners in Broome and Tioga counties in New York state may soon be free to negotiate better terms with other drilling companies as Chesapeake Energy, having suffered a legal setback, is reportedly prepared to walk away from thousands of acres of natural gas drilling leases. Oklahoma City-based Chesapeake had originally tried to extend the leases, many of which were signed in 2000, under their original terms without negotiating more favorable terms for the landowners. The issue of drilling for natural gas in New York, which includes a portion of the gas-rich Marcellus shale formation, has been complicated by a state ban on a drilling technique known as hydraulic fracturing, or fracking. The state moratorium has been in effect since 2008, but meanwhile, neighboring states including Ohio, Pennsylvania and West Virginia have experienced economic benefits from drilling companies' activities in the same Marcellus formation. Chesapeake had been appealing a decision by a federal court in New York state, which ruled late last year that Chesapeake could not use the state ban on hydraulic fracturing, as a reason to declare "force majeure" and hold on to leases beyond their expiration date without offering better terms to landowners. If Chesapeake does walk away from the leases, it will signal the company's frustration with trying to operate in New York state as well as an ongoing effort to control costs and spending. For more details on the article [Click Here Looking for Oil Gas Jobs?](#) [Click here.](#)

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