

The owners of parcels of real property that are subject to oil and gas leases oftentimes seek to achieve limited liability and estate planning objectives by forming a real estate holding company for such property. However, the property owners sometimes undermine those goals due to the property rights that they transfer into the real estate holding company. For example, the transfer to the entity of only the rights of the property owner under the oil and gas lease (and no other rights in and to the property) may not achieve the property owner's desired results due to the property owner's continued exposure to potential liability arising from the oil and gas activities on the property and/or the application of the assignment of income doctrine.

Rosenn, Jenkins & Greenwald regularly assists property owners with forming entities for this purpose and advising property owners on the property rights that should be transferred into the entity. If you are interested in hearing more about these issues, please contact Paul T. Rushton, the Chair of our Business & Finance Department, at 570-826-5623 or prushton@rjglaw.com. We will be pleased to assist you with these important issues.