



# Forest Leaves

*A quarterly newsletter about Pennsylvania's privately owned forestlands*

## **Oil, Gas, and Mineral Leasing: Some Important Considerations for Forest Landowners**

By Tim Pierson, Extension Educator and Forester, Penn State Cooperative Extension

Oil, Gas, and Mineral (OGM) leasing, and its subsequent exploration and production activities, has increased dramatically across Pennsylvania in the last couple years due to the overall increased global price of oil and domestic natural gas. Many forest landowners are solicited by leasing brokers (land men) or oil and gas companies through mail and/or phone to lease OGM on their land. This article provides forest landowners with a basic understanding of OGM Leasing; how OGM activities impact on forest resources; and how to avoid some of the pitfalls associated with OGM leases.

The Department of Environmental Protection (DEP) is responsible for enforcing oil and gas laws including well construction and waste management practices in Pennsylvania. However, they do not regulate lease agreements between owners and oil/gas producers. Since they are contractual law, lease issues and problems are typically handled in local county courts where the leased property is located

Many forest landowners need to know whether they own the mineral rights for their property or if they are owned, and therefore may be utilized, by someone else. The latter situation often creates unfortunate problems for the landowner who is often left with very little recourse but to watch development occur. All OGM leasing documentation is available at the County Recorder's Office. This information is found on your deed, and may require a title search back to the 1800s. Ken Cogan, a PA Forest Steward volunteer, located the owner of the OGM rights for his property and last year purchased them outright. Now he and his wife, Jane, control OGM activities on their property.

The standard OGM lease rarely provides the protection a forest landowner will want if an oil or gas well is actually drilled on their property. The standard lease is full of legal jargon that in most cases protects and benefits the lessee (the company leasing your property) and not the lessor (you). It helps to know whether you are dealing with an OGM lease broker or company. A broker typically buys up many leases for a large block of land and then sells the leases for a profit or commission to an oil and gas company. Oil and gas companies are usually more open to amendments or addendums to the standard lease than brokers,

and it is less likely your lease will be transferred to another company.

In general, a landowner should request separate leases or contracts and payments for: shallow oil and gas; deep oil and gas; minerals; and any rights of way for roads, pipelines, or utilities. The standard lease usually lumps all oil and gas (shallow and deep), all minerals, and all right-of-ways into one lease.

In recent years, Verda Wieder-Knowlton, a PA Forest Steward volunteer, Forest Steward, and secretary for the North-Central Forest Landowner's Association was approached to lease her and her husband, Roy's, land for oil and gas. The aesthetics and natural resource aspects of their land are very important to them as they are for many Pennsylvania forest landowners. Therefore, Verda thoroughly investigated oil and gas leases and companies before signing. "You'd best investigate the ramifications of leasing your forestland before you have to live with the results," says Verda. She also emphatically says, "Money is not worth the change in the beauty and aesthetics on my property." Verda and Roy are presently developing addendums to the standard lease with an oil and gas company that include specific acceptable well locations, pipeline location criterion with the least amount of disturbance, and timber value parameters.

Ken Comstock, a Surveyor/Forester and private forest landowner in Potter County, has, after six months of thorough investigation and informing both himself and his neighbors, recently leased the oil and gas rights on 585 acres of his land. Ken says, "It is important for forest landowners and their neighbors to educate themselves on the terminology and all aspects of proposed oil and gas leases." He recommends inviting oil and gas companies to present their lease criterion at a neighborhood or community meeting where people can ask questions. Ken feels very strongly that, "Landowners should insist on having the final say on the location of wells, roads, tanks, gates, fences, pipelines, and other aspects of drilling and production." Obviously, the landowner would want the gas company (lessee) to be successful and be able to produce gas efficiently, but you have to live with the results for a long time. So, use due diligence and review your

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## Oil, Gas, and Mineral Leasing Continued...

forest stewardship goals and objectives. Ken is adamant that forest landowners fully agree with and understand what they sign because all leases are legal documents recorded in the County Courthouse.

Your annual lease payment per acre is usually negotiable and varies widely from five to hundreds of dollars per acre. The per acre value of your lease is usually tied to a few considerations. Some of these include the overall importance of your acreage to complete a large block of leased land and proven or highly probable gas field location. If you are part of either of the previous situations, then you have significant negotiation power. To find out where your land is relative to existing leases and suspected well fields will require some investigation on your part. Talk with your neighbors and others and learn what they know. Learn if they have been approached or leased OGM rights and, if they have, for how much. You may even consider cooperating with your neighbors to assemble a block of land and working together to negotiate a lease and annual payments that meet your needs.

Unit size has a considerable impact on the royalties you will receive if a producing well occurs on your land. Unit size may be negotiated by the landowner and the oil and gas company.

Minimum royalty percentage is also set by the state at one-eighth, or 12.5 percent, of gas value. Typically metering happens at the wellhead just before gas enters transmission pipelines. Royalties are distributed either to the owner or, if unitized, split among all mineral owners based on the acreage of their land in the unit. DEP will ensure the minimum royalty payments are awarded.

The forest landowner's trees and forest stands are important long-term income and other non-income opportunity producers. Trees are simply in the way of OGM producers and are removed when well sites, access roads, and pipelines are developed. These disturbed locations will probably not produce a forest income from timber in your lifetime. If you don't request a certain value for your trees in lease agreements, you will typically receive minimal compensation based on tree size and quality at removal. There will be no consideration for future value or potential income. It is possible to negotiate double compensation for present and future hardwood sawtimber. Use the Timber Market Report produced by the Penn State School of Forest Resources as a guide.

Access roads and pipelines can impact your forest resources. These activities usually involve removing all trees including stumps and roots for a minimum width (often 30-50 feet for pipelines). Forest landowners should negotiate into a lease road and pipeline locations. Doing this may avoid disturbance to highly productive forest stands or special sites on your property. You should specify in the lease how tree stumps and roots are handled (burned/buried), otherwise they will probably

be left. You can also specify topsoil handling and reclamation activities.

Your topsoil is a valuable resource, and it is rarely addressed in the standard lease. You should require topsoil be stockpiled on the property for reclamation or other activities. The standard lease usually says little about land reclamation during and after gas development and production activities. Leases usually only require returning the land to its original contour and seeding with a conservation mix. You may and should specify how remaining treetops and stumps will be handled, topsoil replaced, permanent erosion and sedimentation structures installed, fertilization and liming, seed mix configuration, and tree planting, including species selection and spacing. Water quality on your land is a very important consideration and protecting it will usually require addendums to the standard lease. The landowner should insist that water wells and developed springs be tested prior to any activities and again after all development and production activity has occurred. DEP provides some assistance through the permitting process.

Some wells will require tending on a daily basis. This means someone will be on your property nearly every day for the life of the well (5-10 years or more). You may want to consider setting some acceptable daily guidelines and timeframes for well tending during hunting seasons or possibly year round so less personal intrusion is realized.

The forest management and decision considerations forest landowners encounter with oil and gas leasing demonstrates the importance of education and investigation before signing the dotted line. Working with your neighbors in this learning process and subsequent lease development can benefit everyone. Take the time upfront to understand to what you are agreeing, because you are legally obligated for many years. The standard oil and gas lease rarely provides forest landowners with adequate protection of their forest resources and little control over the environment after OGM activities begin. Therefore, developing acceptable addendums to the standard OGM lease terms and clauses is advisable. Negotiate as many aspects of your lease to best meet your goals and objectives for your forestland including timber value and reclamation. Think of an OGM lease as you would a timber sale contract. Only by having "it" in writing can you assure the best outcomes on your land.

Additional Sources of Information: <http://www.dep.state.pa.us/dep/deputate/minres/oilgas/oilgas.htm>  
<http://naturalgaslease.pbwiki.com/>  
<http://scnyat.cce.cornell.edu/gas/SCNY-CCE-gas-information-sheet.pdf>



# ***Pennsylvania Forestry Association Update***

By Linda Finley, PFA President

The New Year is gearing up, but the mission of the Pennsylvania Forestry Association remains constant. We continue our efforts to provide landowner education and to promote the wise stewardship of forests and the valuable natural resources they provide.

In keeping with our mission, the 2007 Annual Meeting was held in beautiful Washington County Pennsylvania, September 28 and 29. The weather was spectacular; our field trip was informative, fun, and invigorating. At John Burnham's 550-acre Tree Farm we learned about his efforts to control "tree of heaven," oak thinning, reclaiming old-field sites to forests, and chestnut planting. We also saw where oak wilt is taking some of his prized trees. At Tony Pawlosky's Lumber Company we learned how he uses his woodworking skills to help others appreciate wood. We also visited his "new" cabin which recalls an era from the past. It was a handcrafted marvel that might encourage some PFA members to build their own "cabin."

The meeting concluded with our Awards Banquet. PFA, along with Tree Farm and the Sustainable Forestry Initiative, presented awards that recognize dedication and commitment to the wise stewardship Pennsylvania's natural resources. PFA presented the Joseph T. Rothrock and Sandy Cochran awards. This year the Joseph T. Rothrock award was presented to James Stiehler. Jim is known to many of us as PFA's Communications/Education Committee Chair. With Jim's help PFA is publishing a first class magazine. As DCNR Bureau of Forestry Forest Stewardship Coordinator, Jim's professional career has spanned more than 25 years of service to Pennsylvania forest landowners. The Sandy Cochran Award recipient was Jaquelin Ritko. Jaquelin is a dedicated environmental educator with a passion for sharing knowledge about our natural resources with the children –

tomorrow's future. PFA is pleased to recognize Jim and Janice for their service to people and forests.

Pennsylvania is blessed with many dedicated citizens who actively give of their time and talents to promote forest stewardship. Thanks to their efforts, we all benefit.

I know many of you are already scheduling appointments and setting aside dates for this year. Here are a few more to add to your calendar. The 2008 PA Farm Show runs from January 5 to 12, and the PA Eastern Sports Show February 2 to 10. If you attend either event, please stop at the PFA exhibit. If you are not a PFA member, learn about what we do and consider joining to share your knowledge and experiences with other forest owners and resources professionals.

Saturday, March 8, 2008 is PFA's Annual Conservation Dinner. This event is the major fundraiser for the association. Starting at 4:00pm, the event is jam packed with good food, good fellowship, games, raffles, and live and silent auctions. Best of all you could walk away with the \$10,000 CASH PRIZE. Call the PFA office (717-766-5371) or check our web site (<http://pfa.cas.psu.edu>) for details. This is an event you do not want to miss!

2008 will be filled with opportunities for all of us to learn and grow together. PFA members and non-members are welcome to attend all of our events. We welcome your suggestions for programs or projects.

The Pennsylvania Forestry Association's Officers, Board of Directors and Committee Chairs want to wish our members and friends a very happy start to the New Year.

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## ***Congratulations David and Lynne Schreffler***

By Ken Manno, Program Manager, PA Sustainable Forestry Initiative

On September 29, at the PA Forestry Association's Annual Meeting and Banquet in Washington, PA, I had the pleasure of presenting the Maurice K. Goddard Forest Sustainability Award to David and Lynne Schreffler of Everett, PA. David and Lynne Schreffler own and manage 350 acres in Bedford County just outside of Everett. There is a good view of a portion of their property from the main road, and at first glance it is readily apparent that a lot of time and effort have gone into managing the forest.

Years of management activities and the assistance provided by their consulting forester, Jules Wood, have produced significant benefits to the property, which contains 22 management units. The Schrefflers have also enlisted the services of a timber harvester who understands their long-term goals and objectives for the property. They have taken the time to explain everything to him. And now, when a timber harvest is conducted they use the same logger. Their logger admits to being a little skeptical

about things at the beginning, because what the Schrefflers and Jules Wood wanted to do and how they wanted to do it wasn't like anything he had experienced. But he now readily admits that the forest resource has benefited greatly, and he is very supportive of the management and harvesting plans in place for the future.

Space limitations do not permit me to go into all the details that positioned the Schrefflers for this award. I need to say that competition from other nominees made the selection a most difficult exercise. It was the comprehensiveness of the Schrefflers' plans and actions, including steps they are taking to ensure their property remains a sustainable working forest for the benefit of future generations that separated them, albeit ever so slightly, from the others considered. I trust that old "Doc" Goddard would be quite pleased with our selection this year of the recipients of the award that bears his name.

# Pennsylvania Tree Farming Notes

By Dennis and Jackie Waldorf, Co-Chairs, Pennsylvania Tree Farm Committee

## Honoree Recognition at PFA Annual Dinner

On Saturday, September 28, 2007 at the PFA Annual Dinner held in Washington, PA the Pennsylvania State Tree Farm Committee was pleased to make the following awards:

2007 Pennsylvania Tree Farmer of the Year: Presented to Craig, Janet, and Tara Olver of Tall Timber Tree Farm.

2007 Tree Farm Inspector of the Year: Presented to Paul Kowalczyk of Hawley, PA.

Tree Farm Committee Service Recognition: Presented to Rick Deppen, Robb Piper, and Bill Bow.

## Olvers Host Forestry Information Forum

On Friday, October 19, 2007, the 2007 PA Tree Farmers, Craig, Janet & Tara Olver hosted a forestry information forum for legislators and press at their Tall Timber Tree Farm.

The agenda for the day included the following presentations: Sue Currier, Executive Director of the Delaware Highland Conservancy addressed the importance of conservation easements for protection of PA woodlands; Mike Lester, Assistant State Forester outlined the role of DCNR in educating woodlot owners and other contributions of DCNR at the state, county & township levels; Jeffery Nichols, Director of Procurement at Deer Park Lumber, Inc., and Jonathan Howard, Consulting Forester, discussed the future outlook of the timber industry in Pennsylvania; Michael Burkhardt, Tree Farmer, discussed the future from the woodland owner's point of view; and Bob Hobbes, Consulting Forester, pointed out market opportunities for poor quality trees and the future of biofuels for woodland owners. Jackie and Dennis Waldorf discussed the Tree Farm program in Pennsylvania and presented the Olvers with a 4' by 8' sign for their property (see picture).

## Committee Signs Memo of Understanding:

At the September meeting, Jim Walizer explained an initiative of the West Branch Susquehanna Restoration Coalition to clean-up acid mine waste in the river. Jim proposed, and the

Committee agreed, to sign a memo of understanding with the coalition in support of this initiative. More information on this initiative can be obtained by contacting Rebecca L. Dunlap of Trout Unlimited, P.O. Box 27, Mill Hall, PA 17751.

## Program Support Letter:

By this time you should have received the annual support Tree Farm letter, which was delayed from the mid-October target date. This year Pennsylvania will receive 50% of the contribution made by each PA Tree Farmer. In addition to funding the Tree Farm program in Pennsylvania, financial support and participation is required to maintain the 501(c)(3) status of the American Tree Farm System.

## Carbon Credit Update:

At the third-quarter conference call, Bob Simpson, Senior Vice-President of the American Forest Foundation (AFF) provided an update on AFF's progress with carbon. AFF has formed a coalition with the U.S. Endowment for Forestry & Communities, Inc., to make it possible for working forests to trade carbon. According to the Kyoto Protocol, only forests that have been planted on previously unforested land are tradable. Working forests are currently not eligible. AFF will be working to set up aggregating bodies and to prepare Tree Farmers to be eligible when the U.S. goes to a cap and trade system.



## Building Your Library Continued...

discovered why, when we swam in the pond, there were patches of warm and cold water. And I learned about how the pond's owner made some poor fish stocking decisions.

All in all, if you are interested in ponds, you will find this book a useful addition to your library. It is easy to read and will surely help you understand where and how a pond fits into your land and life.

*The Pond Guidebook*, NRAES-178, is available for \$19.75 per copy (plus shipping and handling) from NRAES, Cooperative Extension, PO Box 4557, Ithaca, NY 14852-4557 or call (607) 255-7654, or fax at (607) 254-8770, or e-mail to [NRAES@CORNELL.EDU](mailto:NRAES@CORNELL.EDU). Within the continental United States, shipping and handling for one copy is \$4.25.

# ***Sustainable Forestry: Principle Four***

## **Maintain and/or Improve Soil and Water Resources**

By Jim Finley, Professor, PSU School of Forest Resources

Soil and water are really fundamental to sustaining forest functions. Consider what plants and trees need to grow and survive: light, nutrients (i.e., soil), water, and space. It is relatively easy to understand how to manage for light and space, but soil and water? Sustainability isn't really about managing these; rather, it is about conserving and enhancing these values.

A fundamental place to start is by learning about and using Best Management Practices (BMPs). Several years ago stakeholders concerned about the impacts of management on forest sustainability came together to write a nationally recognized set of guidelines entitled Best Management Practices for Pennsylvania Forests: promoting forest stewardship through education, cooperation, and voluntary action<sup>1</sup>. This 52-page publication was abbreviated in a Forest Stewardship Bulletin of the same title<sup>2</sup>. Both of these publications provide "how-to" guidelines to help forest landowners decide how they can protect forest values, especially soil and water.

Soils are really very complex. We don't know all we should about how forest soils function; however, we do know they are fragile and we have to be careful or we can really affect their productivity. Start to learn about your soils by contacting your county Conservation District. They will have maps that provide important information on your soil's origin, drainage, productivity, wind firmness and erodability. From this you can learn about sensitive sites and the overall risk associated with harvesting and management decisions you might make.

As you plan access to your forest, think first of your soils and water resources. Undisturbed forests naturally protect water; building roads and bringing equipment into the woods has huge potential to damage soils and water resources. BMPs will help you design roads, protect streams, and conserve special places and values. A well-designed and installed road

is an asset, and all roads, even if considered temporary, should be designed with care.

Water from our forests is often very high quality. As you plan to manage your forest, learn to identify and care for all your water resources including streams, both perennial and seasonal, seeps, springs, vernal pools, and wetlands. It is even a good idea to map where these resources are on your property. By mapping them, you can make them part of your management plan.

The BMPs mentioned earlier provide suggestions for buffering your water resources. In many cases, the habitat adjacent to these places is critical to many species that use both land and water including insects, amphibians, and plants.

Managing a forest is not easy. A well-constructed road system designed to consider the soil capabilities and to protect water resources on your property will greatly add value to your forest use and leave important resources to future owners. A poorly designed road system and a lack of care for all your resources can permanently scar the land.

To learn more about how you can care for forest soils and water on your property, call or write and request one or both of the publications offered. We'll be glad to send them to you.

<sup>1</sup> Available free from Penn State University, School of Forest Resources or as a PDF at <http://pubs.cas.psu.edu/FreePubs/pdfs/uh090.pdf>

<sup>2</sup> Available free from Penn State University, School of Forest Resources or as a PDF at <http://pubs.cas.psu.edu/FreePubs/pdfs/uh102.pdf>



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## ***Prescribed Fire: Moving Forward in Pennsylvania Conference***

The Pennsylvania Prescribed Fire Council and ten cooperating sponsors are hosting the first Pennsylvania Prescribed Fire Conference at the Penn State on February 19 and 20, 2008 in State College. For years forest landowners, foresters, and land managers have recognized that prescribed fire can be an essential tool to meet some forest and land management challenges. The conference program will advance the responsible use of prescribed fire in Pennsylvania and serve as a forum for discussing prescribed fire issues. To learn more about the conference, request a conference brochure by calling Forest Resources Extension at Penn State (1 800 235 9473) or email Tara Claghorn at [ttc126@psu.edu](mailto:ttc126@psu.edu).



## Forest Leaves Calendar



Thursday, February 7. Woodland Owners of Centre County: Timber Tax Workshop, 7 – 9 p.m., Foxdale Village Auditorium, State College. No charge; refreshments provided. Contact Dave Jackson, Penn State Cooperative Extension, 814-355-4897 or CentreExt@psu.edu for more information.

Saturday, February 16. Woodland Owners of the Southern Alleghenies: 11<sup>th</sup> Annual Forestry and Wildlife Conference, 8 a.m., Breezewood Fire Hall.

Saturday, February 16. Hills Creek Winterfest, Noon – 4 p.m., Hills Creek State Park.

Thursday, February 21. Lycoming Woodland Owners Association: Forest Buffers, 7 p.m., Lysockview, Montoursville. Contact Chalmer Van Horn, 570-546-5548.

Saturday, February 23. Using GPS in Woodlots, 10 a.m. – 1 p.m., location to be announced. Contact Bob Hansen, Bradford County Cooperative Extension, 570-265-2896 or rsh7@psu.edu.

Saturday, March 1. Woodland Owners Conference, 9 a.m. – 3 p.m., Penn College of Technology, Williamsport. Contact Bob Hansen, Bradford County Cooperative Extension, 570-265-2896 or rsh7@psu.edu.

Saturday, March 8. Central Region Forest Landowner Conference, 9 a.m. – 4 p.m. Penn State School of Forest

Resources Building, University Park. \$30.00, pre-registration required. Contact Dave Jackson, Penn State Cooperative Extension, 814-355-4897 or CentreExt@psu.edu for more information.

Saturday, March 15 and Sunday, March 16. Endless Mountains Maple Syrup Producers Association and Northwest Maple Producers Association: Maple Weekend, 10 a.m. – 4 p.m. Contact Donald Russell, 570-247-7360.

Wednesday, March 19. Pennsylvania Tree Farm Program: Tree Farm Inspector Certification Training Session, 6 – 9 p.m. Forest Resources Building, University Park. Pre-registration required. Contact Dave Jackson, Penn State Cooperative Extension, 814-355-4897 or CentreExt@psu.edu.

Saturday, March 22. Hills Creek Maple Program, Noon – 4 p.m. Hills Creek State Park. Contact Bob Hansen, Bradford County Cooperative Extension, 570-265-2896 or rsh7@psu.edu.

Saturday, March 29 and Sunday March 30. Potter-Tioga Maple Producers Association: Maple Weekend, 10 a.m. – 4 p.m. Contact Bob Hansen, Bradford County Cooperative Extension, 570-265-2896 or rsh7@psu.edu.

Next deadline: March 1 for events between April 15 and July 15.

## Federal Income Taxes: Four Essentials “To-Do’s” for Forest Landowners

By Mike Jacobson, Associate Professor, Penn State School of Forest Resources

As a forest landowner, there are relatively simple things you can do to save money by paying less income tax. Did you know you can deduct original purchase costs and timber sale-related expenses from timber sale proceeds? Did you know that reporting your timber as a capital gain can reduce your tax rate by as much as 20%? Did you know you may be eligible for deducting up to \$10,000 per year of expenses related to stand establishment (i.e., regeneration)? Regeneration costs include fencing, herbicides, and of course tree planting. These, among others, are tax incentives offered by the IRS specifically for timber growers in the U.S. Over the last 20-30 years Congress has passed laws to encourage timber production and tree establishment. More information about these and other tax incentives is found at the end of this article. Before moving forward, consider these four important points to get you on your way:

1. To take advantage of tax incentives **have a profit motive**. The government’s timber tax incentives are in place to stimulate forest investment and production for wood and fiber (we are not yet there for tax incentives for environmental services from forests such as carbon, clean air, etc.). Timber investment and production implies a profit, and the IRS wants to see your profit motive. A profit motive doesn’t mean you have to cut timber often; however, in your management plan you need to demonstrate that at some point in the future you intend to sell timber and hopefully make a profit. For the IRS, the profit you are showing from growing timber is the appreciation in the value of the timber (i.e., its physical growth and quality enhanced over time). We know in Pennsylvania that it takes decades for timber to mature and therefore having a timber sale perhaps only once in your lifetime is standard practice.

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## Federal Income Taxes Continued...

**2. Have a well-written forest management plan.** Not only is this the most important document every forest landowner should have, it is also the first item an IRS auditor will look for. A management plan can put to rest many tax-related problems. Management plans come in many shapes and sizes, from detailed stewardship plans, to more simple tree farm plans. (Note: there may be government cost-share funds available for writing your management plan; these cost share monies may be excludable from income taxes). All plans should address your forest condition, management objectives, and future activities. From the IRS perspective, the type of plan does not matter as long as the profit motive is well expressed. This implies showing growth, yield, and harvest schedules.

**3. Keep accurate and complete records.** Time spent recordkeeping is time well spent. If you only occasionally have forest management activity (e.g., forest management expenses incurred or income received) the shoebox method works fine. More active owners may want to keep records more detailed and formal. You should become familiar with Form T, the basic timber recordkeeping form provided by IRS. Keep records of everything related to your forest management. Receipts from registration, mileage, and meals attending your local woodland owner's workshop and consultant fees are typical expenses that can be deducted annually from your income taxes. Remember to separate personal expenses from forest management ones.

**4. Finally, tying these all together, create a professional tax team.** Maximizing the tax advantages offered by the IRS requires a variety of expertise. A landowner need not be a tax expert, but you need to know where to go to get answers to your questions. Your team should include a professional forester who deals with forestry

specific issues such as quantifying timber volume and value. This information is used, for example, in determining allowable deductions from timber sales revenues. Next, include financial advisors. These may consist of an accountant, bookkeeper, tax preparer, banker or a combination thereof. One of the financial advisor's main goals is to help you minimize your tax burden. An attorney is another member of the team. Attorneys are critical when it comes to making decisions about business entities (sole proprietorship, partnerships, trusts, etc.), and estate planning (gifting or bequeathing assets). Key to successful forest management is having these team members understand your goals and objectives and work together. Where can one find knowledgeable professionals? Penn State extension keeps a list of over 300 people who have taken our one-day intensive tax seminar. Other tax professionals are out there. Talk to your friends and fellow landowners to get recommendations. Don't forget to include your family as a part of the team and the decision making process.

Tax laws and the IRS Code are not only confusing but change constantly. Keeping up to date requires diligence including working with your tax team and understanding the issues. Short courses for forest landowners on tax issues are available from Penn State Extension (RNRExt.cas.psu.edu). Also, suggested readings range from a very simple two-pager annually distributed by the USDA Forest Service called Tax Tips, to a Penn State primer, Timber Taxation, to the detailed USDA Forest Service Handbook on Federal Incomes Taxes For Forest Landowners. These publications and more can be found at [www.timbertax.org](http://www.timbertax.org).



## FOREST LEAVES—Winter 2008

Editor: Allyson Brownlee Muth

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Calendar contributions and news items are welcome. Submissions for the next issue of Forest Leaves are due:

**March 1, 2008**

### Forest Leaves Publication Partners include:

- **The Pennsylvania Forest Stewardship Program.** Administered nationally by the USDA Forest Service under the direction of the PA Bureau of Forestry in conjunction with the Forest Stewardship Steering Committee and the Penn State Forest Resources Extension.

- **The Pennsylvania Tree Farm® Program** (<http://patreefarm.cas.psu.edu/>) Administered nationally by the American Tree Farm System® under the guidance of the American Forest Foundation.

- **The Pennsylvania Sustainable Forestry Initiative® SIC** ([www.sfiofpa.org](http://www.sfiofpa.org)) Initiated nationally by the American Forest and Paper Association.

- **The Pennsylvania Forestry Association** (<http://pfa.cas.psu.edu/>).

Publication is directed by representatives from the forest products industry, the Pennsylvania Bureau of Forestry, Penn State Forest Resources Extension, and private forest landowners.

This Publication is available in alternate format upon request.

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March 1, 2008



**Winter 2008**

## ***Building Your Library...***

By Jim Finley, Professor, Penn State School of Forest Resources

***The Pond Guidebook*** by Jim Ochterski, Bryan Swistock, Clifford Kraft and Rebecca Schneider. Natural Resource, Agriculture, and Engineering Service, 2006, NRAES-178, ISBN 978-1-933395-13-5, 76 pp.

A well-designed and working pond is an asset on your property. A poorly-designed, weed-choked pond takes away from the enjoyment of your property. *The Pond Guidebook*, recently published by the Natural Resources, Agriculture, and Engineering Service at Cornell University, is essential reading for any landowner with a pond or who is thinking about adding one to the landscape.

Personally, ponds have always been intriguing. Visiting many properties, I've seen ponds that appear healthy, with deep clear water. Other ponds have too many weeds, mats of algae, and are places to avoid. Sometimes the reasons for success or failure are apparent. Other times you just have to wonder. Many times the pond is a focal point on the property, a place that seems to draw people to it. Not every property owner can have a pond, and, as you will learn in *The Pond Guidebook*, not every property owner should have one. To maintain a pond well takes planning and work

*The Pond Guidebook* provides the basics, not necessarily all the detail, you need to make every pond management decision. It is also not state specific; rather, it is a resource for the region and provides good solid advice for planning, managing, and solving many pond related problems. When you need specific advice, the publication provides information on where to turn.

The six chapters in *The Pond Guidebook* are: Getting to Know Your Pond; Pond Construction and Maintenance; Fish Management in Ponds; Aquatic Plants and Weeds in Ponds; Attracting and Managing Wildlife; Pond Recreation, Safety, and Fire Safety. Obviously, the first chapter is for those who already have a pond. It helps you measure, describe, and assess your pond so that you can better understand what works and does not work. The remaining five chapters have a wealth of information related to managing your pond.

Recalling the neighbor's pond at my grandparents' house as my sample pond, this resource helped me better understand how land management decisions affected the water quality. Those cows really did contribute to the algae blooms. I

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