

LOCAL NEWS

Drilling can dig into land value

09:25 AM CDT on Saturday, September 18, 2010

By Peggy Heinkel-Wolfe / Staff Writer

DECATUR — One year to the day after a company set up its drilling rigs on their land in eastern Wise County, Tim and Christine Ruggiero confirmed the depth of their loss.

Originally on the 2010 tax rolls for \$257,330, their home and 10-acre horse property are now worth \$75,240.

The Wise County Central Appraisal District Appraisal Review Board — five community members with varying expertise in real estate — agreed that the drilling company's use of the Ruggieros' land warranted the extraordinary reduction.

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"It's the biggest cut I've ever seen," said Bob Boughton, board chairman, at the conclusion of a nearly two-hour hearing Thursday afternoon.

It took the couple about 30 minutes to present all the significant events — from the day crews moved in without proper agreements to the recent installation of a "thermal oxidizer," which continuously burns emissions — leading up to their 10-year-old daughter's health problems.

The couple's daughter has been having breathing difficulties for several months. After her latest trip to the emergency room, she was diagnosed with asthma, the couple testified. A neighbor's child also had recently been diagnosed with asthma.

Some board members said they would neither be able to sell the property, nor even consider listing the property, after hearing the couple's disclosures, including the fact that they had filed a lawsuit against the company for damages.

"I wouldn't sell it for \$78,000," said Patsy Slimp, a board member and former real estate agent. "I could not sell this house in a clear conscience."

Steve Goolsby, an independent appraiser based in Denton, valued the family's home in December at \$78,000 — after one large spill of drilling mud but before a litany of other environmental problems began. Among multiple complaints, inspectors with the Texas Commission on Environmental Quality singled out the diesel engines the company used in its drilling and work-over operations, recommending greater emissions controls.

Diesel particulate can easily become lodged in people's lungs and is a known carcinogen.

Some Barnett Shale-area residents have become concerned about the long-term effect on property values when natural gas production comes close to homes.

In Corinth, where members of a gas well committee continue to review the city's drilling ordinance, they considered a Colorado study from 2001, according to committee member Peggy Bush. The study showed that properties with coal-bed methane gas wells were valued 22 percent less than similar properties without wells.

The Corinth committee opted to not seek its own study of effects of the Barnett Shale on North Texas properties, Bush said, hoping they can use the results of a new property value study in Flower Mound when it

becomes available.



DRC/David Minton

Dish Mayor Calvin Tillman and his wife have put their home up for sale after their sons started having heavy nosebleeds at night. Their home is across the street from a collection tank battery and down the road from a compression complex on the southern end of Dish.

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In Dish, Mayor Calvin Tillman and his wife, Tiffiney, put their family home up for sale a week ago, after their sons got heavy nosebleeds one night earlier this year. Their home is near a compression complex on the southern end of town.

The couple has listed the property, which includes a house and a barn on adjoining acreage, higher than what their real estate agent advised, Calvin Tillman said.

“I want to try to clear what we owe,” he said.

During the Ruggieros’ hearing Thursday afternoon in Decatur, appraisal district staff members told the board they have decreased values by 75 percent when a gas well sits on the land in such conditions.

Less common, however, was the need to reduce values of homes near operations, they said. District staff presented six properties comparable to the Ruggieros’ home, saying that recent sales showed the home values did not seem to be affected.

Christine Ruggiero rebutted the claim, providing additional information on those comparable properties showing that the homes were sold before the nearby wells went in.

Prior to the meeting, she said she resented having to spend several hours researching Texas Railroad Commission and property tax records in order to point out the gap in the information the appraisal district was providing to the board.

After hearing another hour’s worth of testimony from both the couple and district employees, the board agreed with Goolsby, when he said that “the external obsolescence of the land next to the home is relevant to the damage of the remainder.”

They voted to reduce the land value by 75 percent and the home value by 70 percent. They added the condition, however, that it be reviewed each year. It was possible, they said, that another operator could buy the gas leases and clean everything up.

After the meeting, Tim and Christine Ruggiero had tears in their eyes.

Christine Ruggiero said she knew the day the drilling rig arrived that their property was lost, so the acknowledgement by the appraisal review board was not happy news.

They know they need to move in order to protect their daughter's health, Tim Ruggiero said, and that it's possible their credit could be ruined.

"The bank could call the note on our home tomorrow," he said, in which case he'd probably hand them the keys to the house.

The couple owes about \$200,000 on the mortgage, he said, adding that he believes banks and underwriters need to take a closer look at the risk of financing Texas properties when the mineral estate has been split from the surface use.

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20 comments

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[cmpgirl3](#)

10:30 PM on October 4, 2010

Score: 1

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Hmm, I am looking at the same study "drilling for facts" and you are wrong. Homes valued at 250,000 and above (much of Flower Mound) within 1500 feet of gas wells and drilling activity have seen a 3% to 14% DECREASE! You must be drilling in the wrong place for your facts.



[TXsharon](#)

12:15 PM on September 20, 2010

Score: 2

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Well, drillingforfacts, that is very interesting since I have a study done in Flower Mound that shows just the opposite of what you claim. I'll be posting that soon so everybody will know.

You might need to check the drill bit on your fact drill. I think it's broken.



[drillingforfacts](#)

10:21 PM on September 19, 2010

Score: -4

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It looks like the folks in Wise County should have property in Flower Mound.

The Flower Mound Cares people have seen their homes increase 20% in the last 5 yrs and are asking 12% above their appraised values on current for sale listings. Even with a realtor who has make public claims that gas drilling in Flower Mound will hurt home prices by 30%. It is easy to fuel hysteria until the facts come out.

Somebody needs to lookup the meaning for hypocrite...

 [4 replies](#)

	<p>GNAT 1 1:34 PM on September 19, 2010 Tim: Rent or do whatever you have to do to protect your children. No doubt you are in for some hard times but hopefully if you prevail it will help. My personal opinion is if they(well co.) are found at fault a minimum of treble damages is in order plus your cost. Health is a terrible thing to lose and it can be long term. Hope it works out for you and your family.</p>	<p>Score: 1</p>	<p>Report Abuse</p>
	<p>mr_fnord 11:16 AM on September 19, 2010 They might be rolling over on gas wells, but at least the City and County are fighting to keep wind generation power out of Denton! http://www.dentonrc.com/sharedcontent/dws/drc/localnews/stories/DRC_intervenor_0919.109943650.html I'm glad to see that our representatives have their priorities straight (/sarcasm)</p>	<p>Score: 2</p>	<p>Report Abuse</p>
	<p>Name withheld 7:46 PM on September 18, 2010 <i>This comment was left by a user who has been blocked by our staff.</i></p>	<p>Score: 1</p>	
	<p>GNAT 1 6:14 PM on September 18, 2010 next years tax rolls are sure going to come up short. surely every property owner with a well will ask for a 75% reduction on their appraised value. Don't know if you can call it a siver lining but it beat a kick in the butt. To the folks in this article if you believe the gas well is harming your children then move,get out. if you have to file bankruptpsy and let the forclose do it . your children are worth it.</p>	<p>Score: 0</p>	<p>Report Abuse</p>
	<p> 1 reply</p>		
	<p>Tejas 4:55 PM on September 18, 2010</p>	<p>Score: 0</p>	<p>Report Abuse</p>

You might be interested in attending one of two sessions about gas drilling. There will be experts and community advocates makin presentation and answering questions at each event:

Tuesday, September 21, 2010
7PM
Denton Fire Station, Community Room
322 E. Hickory Street
Denton

and/or

Wednesday, October 6, 2010
7PM
Flower Pound Police Station, Community Room
4150 Kirkpatrick Lane
Flower Mound



Name withheld
3:54 PM on September 18, 2010

Score: 0

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[biglarry](#)
2:16 PM on September 18, 2010

Score: 4

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I used to think that the only thing that matters to the right wing person on the street is money. It's called blind self-interest, bolstered by a heartless ideology that pays no mind to the welfare of others, and there's plenty of that in that segment of society. Still, when you look at this new moment of drastic land value losses as a result of gas drilling and fracking, do you really think that the right wingers affected will change their mind about anything? I don't think so because science tells us that most people's political affiliations are influenced as much by their genes as by their level of education, open-mindedness compassion, and imagination. No, they will just shrug it off as "one of those things in life" and continue to vote Republican or Tea Party.

[1 reply](#)



[tabad](#)
12:49 PM on September 18, 2010

Score: 3

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The Barnett Shale is sure great for our economy, eh? Who will make up for the lost property values. These are not isolated cases. Look at what has happened in Argyle and Bartonville. There are 34 states in the US that are suffering the same kinds of impacts.

Are we done yet? Are you ready to conserve energy? Are you ready to switch to truly clean energy?

[1 reply](#)



Score: -3



Name withheld
12:32 PM on September 18, 2010
This comment is under review.



Don Young
11:31 AM on September 18, 2010
I can't believe the actions of gas drillers are legal in the USA. Tell Hillary Clinton to come see what this "transition fuel" has done to the Ruggerio's.

Score: 2 Report Abuse

1 reply



lobdillj
11:26 AM on September 18, 2010
This is what I've said would happen from day one.

Score: 0 Report Abuse



crunchyfrog
9:56 AM on September 18, 2010
You hit the nail on the head, clodhopper.

Score: 2 Report Abuse



Raydar
8:39 AM on September 18, 2010
Water depletion didn't do it.
Water contamination didn't do it.
Ozone increases didn't do it.
Toxic emissions didn't do it.
Health problems and drilling chemicals in the blood didn't do it.

Score: 1 Report Abuse

I predict this will have an impact on the "Drill, Baby drill" crowd that seems to only care about their wallets.

Could we invest in clean, renewable energies now instead of subsidizing fossil fuels?



Name withheld
8:30 AM on September 18, 2010
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Score: 1



TXsharon
8:28 AM on September 18, 2010
Is this the American Dream or what?

Score: 5 Report Abuse



[GNAT 1](#)

Score: -1

8:15 AM on September 18, 2010

If I read it right and the staff used comps with wells after the sell of the property I hope they are fired and charged with fraud or lying to a government board or whatever they can be.



[clodhopper](#)

Score: 4

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8:02 AM on September 18, 2010

Splitting mineral rights from surface rights was a big mistake. That practice should have never happened.

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