

As communicated on October 19th, leasing activity during the month of October was significantly curtailed by turbulence in the financial and energy markets. Our coalition lawyer has continued to communicate with prospective energy companies, including Chesapeake, and has reported that longterm interest in our acreage remains, but timing has been delayed. Our lawyer believes that leasing activity will not pick up until after new capital budgets are approved in January of 2009.

While the negotiating committee is disappointed by this news in the short term, we remain patient and optimistic that the market will eventually return to normal long term growth. We also realize that many of you may be frustrated about this delay. As a volunteer organization, we are doing the best we can to maintain unity, but accept that individuals are free to make their own choices. When considering options, we ask our members to consider the following points:

1. The gas under our homes is not going anywhere. It is like owning a savings bond that hasn't matured yet.
2. Leases already signed by Chesapeake in our area will expire in approximately 2 years. Since it will take about 9 months to permit and drill a well, there is a 15 month window remaining to negotiate terms on the remaining acreage needed to establish a drilling campaign.
3. In addition to financial bonus aspects of the lease, there are significant non-financial terms related to damage liability, cost free royalties, routing of heavy equipment traffic, and warranty of title that are missing in PFM's unilateral lease. Standing together and negotiating collectively remains the best and only chance we have to successfully resolve these issues at a community wide level.

The negotiating committee plans to continue our recruiting efforts to achieve our 70% membership objective in the southeast part of our area. This action gets us prepared for moving ahead quickly when the economy improves and energy companies are ready to reconsider our acreage. We will continue to communicate periodically with the energy companies to monitor their interest.

Thanks as always for your support and any questions or feedback you may have about our efforts on your behalf.

Signed,

Your Negotiating Committee