

10/21/2008 A Slow Economy Slows Our Progress

Several gas companies are rescinding offers made but not executed, pending an improved market (lower bonus amounts and/or higher natural gas prices). However, they are retaining the leases they have already executed. The gas companies and people wanting to lease their mineral rights are all casualties of a financial crisis in our global economy. While things look bad for the moment, most involved believe this to be a temporary situation. And remember, the lease bonus is but one component of the lease terms, and it's the most temporary one in that the other important terms will live on during the life of the lease.

In spite of the state of our economy, WENA is being proactive. Our negotiators met October 13, 2008 to discuss lease terms and strategies when they do get back to the table. We sent almost 400 letters to holdouts in our area encouraging them to join us and we are getting a good response from those letters. We haven't given up and we hope you realize that it is to your benefit to stay with a large group through the crisis. It helps to know you're not in this alone. You're in good company... Warren Buffet is investing his money in the U.S. stock market... T Boone Pickens is investing in alternative energy... natural gas happens to be one of those alternative fuels for automobiles, which will cause a greater demand for natural gas. Both presidential candidates recognize that our country must get serious about developing alternative sources of energy to make us self-sufficient and again natural gas is one of those alternatives. When our economy stabilizes, we will be back at the table negotiating for a good lease at a fair price for our mineral rights. In the meantime, don't let anyone scare you into signing a long-term lease that isn't in your best interest.