Dear Board.

Several of you have contacted me, puzzled, wondering where I am on this now after my July 4th report on gas drilling.

I am reluctantly moving 180 degrees into favor of a no surface disturbance lease because it seems the best overall direction and protection for the Merryall Manse property overall.

We have been living with this issue for almost 2 years. I have gone to many meetings, many friends spend almost all their time on this issue one way or another, helped produce educational leaflets and have written letters to the editor. The opportunity to stop the drilling - if that was ever possible - is long gone, the water and other concerns are gaining credibility now the reality is setting in.

Larry has spent the majority of the last 3+ weeks full time, visiting wells, chatting up the drillers, surveyors and Natural Resource officials, talking to people who have leased and found a rare couple of people who have not. Without exception the ones who have not signed are people who <u>sincerely</u> care for the land. Seemingly most people just jumped for the money. He also found people getting royalties already. In his inimitable way Larry has mastered most aspects of the issue in a tenth of the time it takes me and with more technical understanding!

However, this is an emotional issue for me (as for some of you perhaps). I grew up on a wilderness farm with pristine water, extraordinarily accessible beauty and nature, different from, but enough like here that I chose to live here with Larry and raise children here rather than in NY so our kids could get that wildness in their hearts at a young age. I vividly remember the enormous changes that happened to our Kenyan land, people, animals, crops and economy when the water changed from safe to unsafe. I'm glad Max and Rosie have a "before drilling" childhood relationship to the creek, random puddles and the spring.

It never comes back. You never, ever get that good water back once it is in the water <u>table</u>. I'm no scientist but intuitively I know that piercing through and below the water table, perforations going 7,000' deep every square mile of the surface, then fracturing, shaking it utterly and leaving 60% or more of the poisonous fluid behind isn't good. Academics at Penn State say that the well casings are safe, I say they have not lived long enough.

The fracking fluid <u>will</u> get into our watershed and creek and from there into the Susquehanna and the Chesapeake Bay. It is done; the legal and financial abstractions that insult basic relationships between earth and water are in place, more permanent than the rock underneath us, even as most of the drilling has not yet started. I could go on and on, (and on)...but, with clarity of intention and

some luck we have an opportunity to protect OUR spring, we can protect OUR surface if not the larger community.

Dean Starner owns land that is uphill from our spring that has impact on our watershed as Larry described in his "water" email. He owns 400 acres. Dean is in his 80's, a crusty guy who is a horticulturist and a tree farmer. He bought his land at \$12 an acre, tops. He already has transferred it to his 2 (non local) sons but is clearly in charge still. If we negotiate with him, while he's alive we may be able to secure a condition on any lease of his that no drill pad will be above our spring. If we leave it until later, who knows?

Two reasons I am changing my mind are;

- 1) "Tragedy of the Commons"
- 2) Forcible Pooling.

"Tragedy of the Commons"

Everyone around us but Dean Starner has signed a lease. The "Tragedy of the Commons" is complete without us, or Dean. The pollution from drilling one more lateral well under our property seems to be of a negligible addition or subtraction amount either way. Not impactful to the macro or maybe even the micro picture.

So all that's left is to take care of OUR property as best we can. As Larry has pointed out the spring is unaffected by fracking 7,000' below. A spill or seepage from somehere uphill is the threat to a spring. Water wells are different. We do have an unused well on the property just outside the new french doors in my office/old dining room. We would like to put a hand pump on it and get it working again but would never use the water for anything vital as it was placed very close to the old, leaking septic tank! So unless we drill a new well, and as long as Dean and Pete Hatton don't affect our surface, our water for the house is as good as ever. Unless we need a new, safe water well.

So we may as well go for the money opportunity instead and at least secure the financial future of the property?

2) Forcible Pooling I would like this to be *thoroughly* checked out by an Oil and Gas Lawyer because I can hardly believe it, maybe it's not true If it is it's enough to make one an overnight Libertarian nut!

Apparently under PA law, if you are a landowner, refusing to sign a gas lease "for no good reason" and all your neighbors do, you can be "forcibly pooled." If you are forcibly pooled you lose control (unspecified) and are only entitled to the minimum 12.5% royalty. If you refuse to participate in that transaction the monies are put in escrow. They know that some heir will collect sometime. So we may as well get the money and keep some of the control with us? The money from the royalties (if they ever show up) and signing bonus may provide resource to mitigate any damage left by the drillers - and there always is some. Besides, we

need a new roof and a long term financial plan to secure the property even if we ARE surrounded by gas rigs. If we refuse to sign a lease are we going to fight "forcible pooling" up to the Supreme Court? With what resource?... see how clever the state is?! We participate and go with the Tragedy of the Commons, we don't, we get drilling anyway and have nothing to fight them with.

I'm grateful that we have so many savvy family members who can test all this information and opinion and either restore my weak backbone, affirm the reality we see but can't change, or come up with another, wiser choice we have not seen as an option. I am so grateful that the corporation is already in effect. I am also grateful that Larry and I don't decide! My preference is not to drill, even sub surface, but expedience may dictate otherwise, and that's okay.

If we sign a lease or not, I feel that a thorough threshing process on all fronts is worthwhile because we will have a record of intentions across the board towards the land, future unexpected income, and land use of the property. Laying out all our assumptions and values will inform future expectations and challenges without any nasty surprises. If we do sign the bonuses and royalties are at an all time high and may go higher, but my intuition says may have topped out as there are articles out there in industry publications warning of over investment already.

They found Oil under the gas in Mehoopany... next lease issue? We need a plan even if we do nothing, we need to articulate for the record what our thinking is and why, I'd rather we all were wrong and made a poor choice than we let the State decide for us.

There are some actions you can take that may influence the gas industry and government. I'll put that in another email, later, much later!

There is a lot to absorb; thinking it through is emotional as well as intellectual hard work as it touches on so many aspects of beloved place, family, community and context. Thank you for being willing.

Thanks also for wading through all this writing!

Love to all, Margaret