

Dave Kraeer 4/9/08 Hickory, PA

Q: What are the effects on your property?

A: Since I farm they're a little rough on the property, driving off of the well site into fields and making ruts, and they buried their plastic after they drilled the well. They had two pits and they left those full of slop and what they lined it with is plastic, so they buried that in there plus a bunch of junk which I couldn't believe. We did have one spill with the brine water but we were able to get it shut off right away. And they just pretty much take over.

Q: Yeah they just take over everything basically.

A: Yeah well, you never know where they'll be driving through.

Q: Could you explain that thing about the brine spill for me?

A: Well, apparently brine water comes out of the well with the gas and there was a seal on the top on the pump rod and it went bad and the brine water if gone unchecked would have just blew all over the place and then it would have really ruined the ground, but I check it pretty much every day and I shut it off. Now there was a few neighbors had the same problem but they didn't go up and shut their well off. I shut the pump down so it wouldn't pump that anymore. I made a few phone calls and they did come out and fix it because I told them I shut it off.

Q: So basically what you're saying is that if you don't stay on top of them you could be pretty much screwed.

A: Yeah you have to monitor them 24/7, I mean you might go two weeks and not see anybody, you might go three weeks and about the time you turn your back... bingo...they're there... you come home and its like oh Jesus, and you got tractor trailers buried in your field and certain things like that. I mean, I haven't had as much disturbance as some of the neighbors but that doesn't mean that in the future...

Q: Yeah, so how much longer is your lease with them?

A: Phew Well once they drill a well, you're locked in.

Q: You're stuck.

A: Yeah, you're done. You're stuck. You're stuck with them

Q: So you're a prisoner now with your property.

A: Yes, they' re there. For...ever

Q: Until they decide to leave

A: Yeah, you sign a lease.... and most of em are three years and I've heard that some of them are seven which is not good and if they don't drill a well, then you can either renew it or scrap that lease. But once they drill a well... and its usually what they do is that they get you signed up and right before your lease is up that's when they'll make the push to come in and do they're well.

Q: Uh, huh, to lock you in.

A: Yeah.

Q: Ok. Anybody in your family How has it affected your family?

A: Uh.... probably by me griping...They have to listen to me gripe. Who knows.... we haven't had any health things, just the misery of me griping to the Mrs. and..its just a lot of stress

Q: Ok, how 'bout the effects on the community?

A: Well its mixed ... the store owners kind of like it because the service stations and what small businesses we have around, not all, but some, they get a lot of traffic We have two restaurants; and those guys go and eat lunch so that's the good, the positive side. Then the people.... our farm borders the little town and I don't think they care for the noise... there's dust, lota lota truck traffic, I mean. we have a lot of small roads here and there and for ten years they were red dog roads and they've kind of upgraded them... and uh just oodles of truck traffic ...and so I think in that aspect, you know, the people, its a nuisance to em ... if anybody is not getting a royalty or anything like that, they're not all that happy about it.

Q: They're kind of screwed right. ... How 'bout the property values aside from the mineral rights what do you think....

A: Well lets put it this way you're property values have to go down because nobody's going to build a house next to a gas well.... and up at our other farm they put a compressor site in and that farm, that 50 acres, it went down because it was perfect, not that I would ever do it, but you could put a road down through the middle and you could sell lots like crazy and now this compressor's there and its a pretty big site, its noisy, it smells very, very bad, so my property value went down.

Q: How about water issues, the quality of the water, and the quantity of the water?

A: I haven't had an issue yet, but there are some people who have had water issues yes. I've just heard of the people that their waters been tainted... it smells, turns to egg smell, or gassy oily smell

Q: Oh wow well that's disgusting

A: Yeah

Q: How about for your ponds streams, and other you know, lagoons, and water that you have, has that been affected?

A: Personally, no. but I've heard and seen pretty horrible looking pond damage, stuff like that. I put a lot of the problem at you had no idea that all this would take place. I mean we've leased before, time and time again and you never had this kind of problem, I never thought they would...

Q: Yeah, its sounds like they came and sold you guys a story and

A: Yeah, right, you needed to be able to read between the lines and if you've never been there before and ...its impossible to read between the lines unless you've known someone somewhere else who have had the problem.

Q: Yeah, well right that's why we're asking you guys to help us out ... its seems like they basically made the rules and they know them and the rules are basically designed to let them do what they want.

A: Yeah, its a very vague lease so there is a lot of grey area that they can live in ... its like they want to come through and they lay lines, oh I don't know what you call.... but they lay lines that grid your farm and they drill holes every so often and drill down fifteen feet then they set dynamite off and then they can tell from all the vibrations about where the gas is, but this is my problem ... I have seven springs on the property and you start setting off dynamite then I can start having a water problem. So I have held them off so far, but I don't know if I'm going to win on that battle.

Q: Yeah that seismic testing....

A: Yeah seismic that's what they call it.

Q: What about air contamination? Have you notice any air contamination around your farm around your neighbors and the town whatever?

A: Yes ... well yes ...yeah.... our house is far enough away from the site, but you can definitely see.... if your house was close to a well site, you would definitely be breathing in dirt, or some sort of ... because I've seen the plum of smoke around the well sites, its in the air, its going some place and there was a neighbor girl, I don't know them, but she had health issues with the one well that was drilled next to her house and I don't know what Great Lakes have done to....

Q: That was one of your neighbors ... your saying...

A: Yeah, but their not to far from the farm. One of the Great Lake guys had mentioned she had asthma real bad and she was having trouble and they had to take her in and get some breathing machine put on her and then she come home and he was going up to see what he could do to help them out or something whether they could stay in a motel ... but I don't know how that ever turned out...

Q: And they're not even drilling on her property Its your property, but she's closer to where they're drilling.

A: The well wasn't on our property but it was on a neighbor's property....And it was close to her house... it was a young girl ... teenager as far as I know

Q: Yeah I was speaking to actually Ron Gulla's neighbor who was telling me that he's got all kinds of crap blowing on his roof from Ron Gulla's property where they're drilling.

A: Oh there's no doubt, no doubt yeah. If you're in the wind you're gonna get it ... cause they're huge, I just can't believe how huge some of these wells are and well sites, they're just huge.

Q: Ok. How was it before these guys came in and compared to currently the activity ... how is it now?

A: Well it was a lot quieter ... a lot quieter.... less traffic, less noise. Because the compressor sites I can hear ... its just sounds like a.... I don't know if you know what a John Deere put-putt tractor sounds like. Its just like putt putt putt

Q: 24/7?

A: 24/7

Q: Wow, when did these guys say come and take over?

A: Uh, oh wow time flies, I believe its been two to three years, they kind of started hitting her pretty hard.

Q: How are your neighbors addressing the problems? I know this is hard for you to say, to figure out but...

A: Well everybody's pretty.... for everyone that is satisfied I would say that there's nine who isn't.... and they all have some sort of complaint uh and a problem with them.

Q: I guess the ones that are satisfied are probably making the money and not even there to deal with it.

A: Yeah

Q: That's the impression I got

A: Yeah the one situation ... the poor girl ... they had a dairy and the dad passed away and she ended up with about 400 acres and she didn't want to sell it and she didn't have a good job and just the taxes were killing her and she was always behind, always behind and now she'd said well for the first time she could pay her taxes ...so that made her very happy.

Q: And she's living amongst all this stuff though?

A: yeah

A: She's unique, but she seems pretty ... pretty satisfied. They really tore up ... uh there was one forty acre field they pretty much trashed it with parking lot and put a big pond in for water, but it didn't seem to bother her, she's unique. But pretty much everybody else ... uh, the guy that ... he got snookered where they put the compressor site in, they told him it was going to be a 15x15 area and un he thought well, ok you know cause he could use the money and he uh ... all of a sudden the dozers come in and these things grown to about 2 acres. Yeah and then the other thing is that they just come in just wipe your corn field out ... nobody really cares to tell you that... now they do come up with the money, but its kind of the principle. I said, I have ground leased, before you leased it and you could have at least had the courtesy to say now we're going to come up through your corn field do you want to take it off or can you use it? And no, they just show up one day.... and holy cow there's half my cornfield gone.

Q: Have you complained ... to whom ... when and

A: Oh yeah, yes I'm in contact with ... normally about two or three of them ... and I mean

Q: When you say them you're saying the people from the gas company?

A: Yeah. There's a field man and I call him, but its kind of like, ... you have an ornery teenager and he keeps robbing the neighbor and the neighbor comes over, you hand him a check to make up for what damage your son has done and you kinda get tired of it, even though they do ... so far they have tried to come up with some money to satisfy you on damages.... but my damages as compared to Ron Gulla's damages ... his is kind of irreversiblemine ...aren't... you can reverse some of them ... when you put ruts in a field its hard to make the ground to where it was because you compact it, but I mean ... now there are a couple of issues that I have with them that haven't been resolved ...uhm as far as I kind of screwed up on my lease because my dad had signed it and then he had passed on and I have the farm... I'm probably going to have to get a lawyer ... then there's a couple of other issues.... my brother has a piece of property next to the farm,so there's three or four issues I have with them that I'm not getting results, But you have to just stay on em and on em and they say they'll be here but three four months later they may not be here.

Q: Have you complained to the government to the local government to the DEP, to anybody?

A: Well I'm not much on going up to our local government because they're pretty deaf eared ... not the sharpest pencils in the world, but I have had the DEP guy I.... fact I chased him down in my pick up one day and he pulled over and I was telling him ... I was very disturbed about these holes they drilled and they lined em with plastic and then buried the plastic I just couldn't believe they could get away with that and uh he pretty much well "Yeah well you know, it won't hurt nothing" ... well that's a bunch of crap, you know. And the brine water when I had that little spill that's when I ran into him and I made him come to the well site and then I pointed across the hill to my neighbors where

it was coming down it was just oozing down over the bank and he wasn't all that fired up about it. You know, I thought these guys are hot on everything like, that but it wasn't so.

Q: They don't seem to care seems like

A: No, no.... usually if you do something wrong anymore on a stream or anything around the farm them guys are down here with pads and pencils to fine ya or do you know....

Q: Yeah, but nothing to these gas companies

A: No, no ... the township.... we're in a township ... the gas company came in so quick and so fast that it caught these guys way off guard and you know the gas companies stay about five steps ahead of the township, you know, they're good, they're good, I mean they must have some good lawyers and stuff cause they're good.

Q: Well, they wrote the laws so ... do you have a lawyer of your own yet?

A: Uhm I have one that we use sparingly over my life ... thank god I haven't used one ...but I haven't contacted anybody yet just basically because of financial reasons, to ... I couldn't right now get into a

Q: Yeah well I think that's part of the whole thing.... they kind of depend on that. ... They know it costs you more money to fight with them then you'll ever see.

A: Yeah, because its like right now we have a lease or contract so to speak.... well soon as they drilled their well.... its says I can get free gas or in lieu of the gas, the money... that would be the value of that gas.... well our well's been here about two years and I haven't got anything yet and I've haven't got anything yet and I've been making phone calls and you know I get "well, we'll send somebody out" and nothing

Q: So you have no idea how much money you are entitled to and you're basically at their mercy on that?

A: Right, right ... I mean in our lease its around two hundred thousand cubic feet something like that that you can get of gas and then.... or you take the value of that gas and they are supposed to send you a check for that.... well I haven't received anything.... so one of my ... I'm using that as a chip if they come here and want to do something well as far as I'm concerned they broke the lease or the contract I'm not obliged to do anything for em, you know.... I mean he was a big beautiful used car salesman ... now I'm sure there are some good ones, but he was smooth and good and the one thing I said to him was do I get \$10,000.00 when you drill a well? Yep, you get \$10,000.00 if we drill a well on you.... well they drilled, I said where's my \$10,000.00? They said, "Well see in your lease we have to drill down to the black river bottom which would have tickled the devils butt, well they don't drill down that deep. So he lied you know ... it wasn't an out and out lie because...yeah ya get if they drill way down there which they don't drill but...

so that ticked me off. Then that was kind of the first inkling that I thought oh boy they're not telling me everything so you have to start reading between the lines.

Q: Ok, is there anything else just right off the top of your head you might want to share with us?

A: Before I would sign anything ... if I did it all over again, I would take my lease to a lawyer and have him ...an oil and gas lawyer ... and have him look everything up and down and all around before I would ... and if I was doing it all over again **I would never sign a drill lease ... I may consider a non-drill lease.... to where if a neighbor decided to drill you could get some money out of his well, but uh I wouldn't have em on the property now.**

Q: So what you're saying is that if you were given the option, knowing what you know, if they came to you know you are saying a lease...

A: I would not sign a drill lease no.

Q: But you might consider letting ... signing a lease if they were on your neighbors where they could go from your property...

A: Yes, a non-disturbance lease

Q: There is one guy I spoke to what's his name, uh John Biji, I guess he's Ron Gulla's neighbor and he has one of those leases and he's not happy about that.

A: Yeah see when they came here they said nothing about unitizing. **I don't know if its a section, 640 acres or something that a unit could be and if you've got a well that was your well, so I'm thinking well you get free gas, you know you get older you could use the gas, you know and so forth, that's one less bill you'd have and.... but ... cause I judged these well sites off of what I saw forty miles from here they had had older gas wells, but they were very small, compact, they didn't have roads to them, they didn't look like much ... they didn't look any different than a small grain bin or something you know and uh then all of a sudden it was like 'holy cow are these huge'**

Yeah, these new drilling rigs they bring in I mean they are like small cities when they put them together. I think I heard it takes like a hundred tractor-trailers to haul one in. They're huge.

Q: All right David. Listen you hang in there and thanks for talking to us. And we'll let you know what's going on our end and you keep in touch. If you want I'll give you my number.

A: Is the number you called me on you're number?

Q: That's my number so if you have anything else you want to share with me, just let me know.