January 18, 2013

Dear Green Hardaway Estate Heir,

On Thursday, I had the opportunity to speak with Griffith Land Service representative Herman L. Harris. Recently, Harris was put forward by Argent Energy Trust to take care of lease matters for the GHE. Our 17-minute telephone conversation occurred on January 16. He described himself as the person called when "things get crazy." I asked Harris if Argent Energy Trust had received the "GHE Letter 4" where there was outlined a fairer set of criteria based on other companies' offers to other properties in the same area, namely: a $1,300 sign-on bonus, ¼ royalties and a Cost Free Royalty Clause. Harris replied that he did not receive this letter and to his knowledge it had not been received by Stacy Barletta—who was said to be out of the office.

I placed my phone call to Mr. Harris on the advice of relatives on my maternal side of the family who became privy to a sudden increase in negotiations by Mr. Harris with senior-most living heirs of the GHE—especially this last week. By calling, it was my hope to ascertain the reasoning for this aggressive influx of attention and what sounded like desperation by the company to get Hardaway-descendants to sign their December-2012 leases. Harris told me that if the Hardaway family did not lease, that the GHE would be overlooked altogether. I was explained that the GHE is only one of three properties Argent Energy Trust is proposing leases to for prospect of oil, gas and/or minerals—the other two being the property west of the GHE across FM 1680, and the old George Evans Estate (which was part of the GHE until November 1900). Harris went on to declare that the GHE was between two operating pad sites (one lying north across the street and the other south of the GHE) and that if the family did not come together "immediately" that it would lose out on everything. He put forth that "something" was under the GHE and that it was critical at this time for the family to stop "fighting" and to sign before it was too late and the leasing opportunity evaporated. He further explained that he had spoken to "that white woman" (Stacy Barletta) and was brought in because of his expertise in the industry of oil and mineral leases. He explained that he had worked with many "black families" to help them understanding their leases and the energy proposals set before them. Harris described making plans to visit all the Hardaway family members that he could to educate them and help them to understand what was at stake and the importance of putting their leases through. He also expressed his opposition to the number of heirs by questioning me "who wants to be dealing with 150 heirs?"

Back in November 2012, when I first spoke to Stacy Barletta I was told via email that, "Because there are so many heirs, it [would] be very hard to compute the mineral interest of each [senior-most living heir]…" and so therefore she was only prepared to offer a flat rate, one time sign-on bonus of $250 per heir.

So is this the reason why you, as a senior-most living heir, aren't being offered the best compensation for your undivided mineral interest in the property—because Argent Energy Trust doesn't want to spend the time or money to cipher the percentages of each individual heir? So they may pay you off, bust up "your land" for pennies on the dollar and leave you with a $250 check? And let's pretend that they do hit something on the property: with no mention of a Cost Free Royalty Clause you will be nickeled and

dimed for the extraction and transportation of “your minerals”, of which only 1/5 of every unit you will receive, leaving you less residual than you may be anticipating. If the company would offer $1,300.00 (as other companies in the area offer their clients) per GHE acre, the total lease for the GHE would be $152,191.00 (117.07 acres). That is quite different from Argent’s $250 one time sign-on bonus being offered to at least 111 heirs (to date). The heirs have undivided mineral interest in the property, and much like the United States being made up of its people, the heirs represent the acreage. Therefore, $250 multiplied by 111 gives $27,750.00. I am not entirely positive that leasing the GHE for $27,750 makes sense, when more effort and time could be spent to compensate you—the client—given that the property is in a “sweet spot”.

Additionally, why *would* Argent Energy Trust pay out more based on a per-acreage lease when they can simply give all the heirs a flat rate of $250 dollars as a one-time sign-on bonus, skip the attorneys, and ram a drill through the ground? Because they are a business. They are *not* working for you. They are making money. The less they can get away with paying you, the better for *them*.

It is my belief Argent is not being entirely forthcoming or willing to expend the energy or money on finding the best terms of lease for you individually, though they are more than willing to get a drill in the ground and under “your property” expeditiously. My point here is that despite what Mr. Harris says he is inciting urgency to get the Hardaway place leased for his company.

Some may ask what happens if the property is bypassed. The answer is simple. Argent Energy Trust will pay more out of their pocket to extract oil and minerals wherever they have leased because they will be forced to go around the GHE. My sentiment is: if they want it *that bad*, they need to pay you for it. If they don’t, it is very clear that opportunity knocks more than once.

My words to Mr. Harris were ultimately brief and firm. I expressed to him that the bulk of the family seeks a better deal as to their undivided interest on the GHE and it would not be bullied into submission. And since, by the end of the conversation, he wished to meet and negotiate a better deal with me that I would only do so with my family’s best interest in mind and also against the lease criteria provided by the “GHE Letter 4”. I have not heard back from Mr. Harris to date, but of course I will keep you abreast with all things I believe to be pertinent to a successful lease and best business practices.

Regards,

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