

I AM THE SURFACE OWNER OF THE 160 ACRES UPON WHICH NADEL AND GUSSMAN PERMIAN PROPOSES TO DRILL A GAS WELL. THE PROPOSED WELL IS STAKED CLOSE TO MY LIVING AREA. THE WEST LINE OF THE PAD IS 140 STEPS FROM MY LIVING QUARTERS. —ABOUT 100 YARDS.

THE BARN AND CATTLE WATERING TUB IS CLOSER YET TO THE S.E. CORNER OF THE PAD

THEY WILL HAVE TO CUT DOWN A LITTLE KNOLL TO MAKE THE PAD FLAT; THAT WOULD CHANGE FOREVER. THE VISIBLE LANDSCAPE VIEWED FROM MY HOUSE.

IF THE DRILLING RESULTS IN A DRY HOLE, THE PERMANENT VISIBLE DAMAGE WILL ONLY BE AN UNSIGHTLY FLAT SCAR WITH A PIPE PROTRUDING UP IN THE CENTER OF THE PAD.

FOR THE DAMAGE CREATED BY THE CONSTRUCTION OF THE PAD, I BELIEVE \$6000.00 IS REASONABLE. AND THEY CAN HAVE THE 20 ACRES. FOR WHICH THEY WOULD ORDINARILY PAY A BONUS, FOR FREE.

IF THE WELL IS UNSUCCESSFUL, THE DISFIGUREMENT CAUSED BY THE PAD WILL BE THE EXTENT OF THE DAMAGE.

IF THE WELL IS SUCCESSFUL, THEN THE REAL DAMAGE BEGINS—TANK BATTERIES VEHICLE TRAFFIC. OIL SPILLS. ODORS. NOISE—AND IF A COMPRESSOR IS REQUIRED, THERE WILL BE NOISE 24 HOURS A DAY, DAY AND NIGHT, WEEK IN AND WEEK OUT.

FOR HOW LONG???

IF THE WELL PLAYS OUT IN A YEAR, THEN IT WILL BE A YEAR'S PROBLEM FOR ME TO ENDURE. IF THE WELL SHOULD PRODUCE FOR 20 YEARS, THEN IT WILL BE A 20 YEARS PROBLEM. FOR THAT REASON, I AM UNABLE TO ASSESS AN UP FRONT FIGURE FOR A CONTINUING INCONVENIENCE. NOT KNOWING FOR HOW LONG IT WILL PERSIST. IT'S KIND OF LIKE "PAIN AND SUFFERING," IT DEPENDS ON HOW LONG IT IS WITH YOU.

THEREFORE, I FEEL THAT A RENTAL AMOUNT OF \$1,100.00 PER MONTH FOR THE USE OF MY PROPERTY FOR THE WELL SITE WOULD BE REASONABLE. THAT WAY I AM PROTECTED IF THEY ARE THERE FOR YEARS; AND THEY ARE PROTECTED IF THEIR VENTURE FAILS. IN AS MUCH AS THEY WILL NOT HAVE PAYED FOR DAMAGE THEY WILL NOT CREATE. THE MONTHLY RENTAL WOULD BE COMPUTED USING THE GOVERNMENT'S CALCULATION OF THE RATE OF INFLATION.

VERY TRULY YOURS,

JOE HELM

505-457-2241

P.O. BOX 1081

ARTESIA, NM 88211