



Newsletter of the CandleRidge Homeowners Association

From the President

October 2007

We had a capacity crowd turnout for the General Meeting of the CandleRidge Homeowners Association (CHA) at Woodway Elementary on September 17th. We wish that everyone had attended the meeting to support our community above ground, but we know that most of the interest was generated due to potential leases for gas underground. Due to this interest, we wanted to send out a special newsletter edition to update you on the meeting and the actions that the CHA is now taking.

The following is a summary of the General Meeting:

The vertical CandleRidge signs on the greenbelt and in the park are deteriorating. We have met with the FW Parks Department and the Board of Directors is working on getting the signs replaced.

The par course exercise equipment in CandleRidge Park was removed by the FW Parks Department due to unsafe conditions. Based upon an overwhelming mail-in response by our households, the CHA will be purchasing some replacement equipment after the FW Parks Department schedules the installation.

Dr. Melody Johnson, FWISD Superintendent, made a presentation about the \$593.6 million bond election coming up on November 6th. Please take the opportunity to become informed and make your voice heard with your vote. You may find information about the specifics of the use of the bond money on the web at www.FWISD.org.

Our District 6 City Councilman, Jungus Jordan, provided an update on the Fort Worth budget (which surpassed \$1 billion for the first time) and discussed the city employees retirement fund shortfall, which the city council has creatively addressed in partnership with the employees.

Jesse Torres, a FW City Planner, provided a presentation of zoning regulations applicable to the size of CandleRidge lots. The FW zoning regulations have changed so that it may be possible for some property owners in the CHA to split their properties into multiple smaller lots. He discussed the many disadvantages to allowing this to happen. Following his presentation, those present at the meeting voted to request the City Council to zone all applicable properties in the CHA from A5 (5,000 sq. ft. minimum) to A10 (10,000 sq. ft. minimum).

New officers for the upcoming year were elected (as shown below). David White, who is retiring from his position, was thanked for his untiring and successful efforts as Chairman of the Greenbelt Committee.

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From the President continued

Paloma Resources (Paloma Barnett, LLC) made a presentation regarding potential gas leasing in the CHA area. Dale Resources, which we understand is also interested in gas leases in the area, was invited to make a presentation, but did not attend. After a lengthy discussion, the CHA attendees overwhelmingly voted for the CHA to set up a Gas Lease Committee and negotiate a "master lease" on behalf of CHA homeowners, which the homeowners could use at their option in obtaining a gas lease. The formal meeting was adjourned for an extensive question and answer time regarding gas leasing.

We appreciate each of the homeowners who attended the meeting and hope that this will strengthen the number of households represented in the CHA allowing us all to work together to maintain the CandleRidge area as one of the preferred residential communities in Fort Worth. If you are not currently a member, please fill out the form in the newsletter and return it to our Membership Chairman.

Thanks,

Bob Bollinger
CHA President

INTEREST IN SERVING ON THE GAS LEASE COMMITTEE

(Mail to: Bob Bollinger, 7325 Bramblewood Rd., 76133,

or send info to Bob@The-Bollingers.com, 817-346-4979)

Name: _____

Address: _____

Email Address: _____

Phone Number: _____

CHA Dues Currently Paid? (Circle One) Yes No

Please provide information about your background, qualifications, experience and desire to serve on the Committee:

Gas Leasing and the CandleRidge Homeowners Association

If you have been following the news in Fort Worth regarding the Barnett Shale and gas leasing, you know that the homeowners' associations (HOAs) have been in the middle of the mix. They have been very effective in negotiating higher lease payments from the gas leasing companies (up to between \$10,000 and \$15,000 per acre) and have been instrumental in ensuring that the property owners concerns regarding environmental, safety and quality of life issues are addressed PRIOR to drilling. While the HOAs have often come to agreement with the leasing companies, in some cases, the HOAs have not supported the drilling and there has been quite a bit of friction between the homeowners/HOAs and the leasing companies, especially as the drilling comes closer to the homes. According to the Star-Telegram, as recently as Friday, October 13th, Brentwood-Oak Hills, Ridglea North, and Eastern Hills associations have tried to negotiate with the leasing companies and have complained about high-impact wells in their areas, at times trying to stop the leasing and drilling. The dispute grew to the point where the leasing company (Paloma) set up a "signing party" and some of the nearby residents handed out flyers and protested near the meeting, when Paloma called police to issue trespass citations to the protesting residents. The CHA hopes to avert this type of situation by working for the benefit of the CHA homeowners while aggressively maintaining our property and lifestyles in the CHA.

CHA Actions:

The CHA Board is establishing a temporary Gas Lease Committee of the CHA for the following purposes:

- a. Develop a "master gas lease" to be approved by the Board to be available for use by the homeowners in the CHA.
- b. Negotiate with one or more gas leasing companies on behalf of the CHA.
- c. Recommend legal counsel to the Board to assist the Gas Lease Committee.
- d. Work with other neighborhood associations and nearby property owners as the Gas Lease Committee deems appropriate

The Gas Lease Committee will consist of a minimum of five (5) CHA members and no more than ten (10) CHA members, maximum of one (1) per family on the Committee. The Board will select the members from CHA homeowners who express an interest in serving on the Committee. Bob Bollinger, President of the CHA, will serve as interim chairman of the Committee until and unless a new Chairman is selected by the Committee.

Call for Volunteers:

If you have particular related expertise and interest in serving on the Committee, please provide the information requested on the form on page 2 **ASAP** to Bob Bollinger either by mail, email or drop it off at his house (7325 Bramblewood Rd.).

The Players:

Currently, we are aware that Paloma Resources and Dale Resources (as an agent for Chesapeake) are contacting homeowners regarding gas leases, and both have already signed some lease agreements. The CHA is also checking with other gas leasing companies to see if they are planning drilling activities in the CHA area. Drilling the wells and actual operations will bring some congestion to the area as equipment is brought in and out, and noise levels will increase for a period of 1 to 3 years, or more. All operations will be regulated by City of Fort Worth ordinances and the Texas Railroad Commission regulations.

Paloma Resources:

Paloma Resources has actively courted the CHA to establish a "master lease" for the homeowners to use, and sent out a letter on October 1st to the community recommending that homeowners work with the CHA and not sign any leases until the master lease is negotiated. At the General Meeting, the Paloma president, Christopher O'Sullivan, and Tarrant County Land Manager, Marc Pace, made a presentation of their current offers to homeowners. Without having provided an actual lease agreement with details, Paloma explained that they are offering \$4,000 per acre (\$750 minimum) signing bonus, as determined by Tarrant County Tax Assessor records, and a 25% royalty without reduction for production costs.

Dale Resources/Chesapeake Energy :

Bob Bollinger met with representatives of Dale Resources (acting as an agent for Chesapeake), on October 13th. Dale already has some leases in place with some CHA homeowners and is planning to send out lease offers this week to certain other residents of the CHA with a \$5,000 per acre signing bonus and a 25% royalty. We understand that Dale already has in place some leases in the Edgecliff Village and Hallmark areas with the same \$5,000 per acre bonus, but has recently changed the bonus to \$7,500 per acre.

Frequently Asked Questions (FAQs):

Why is the CHA involved?

Answer: There is negotiating power in the numbers represented by the 1,240 homeowners in the CHA area. Financially, other homeowners associations with fewer than 500 members have negotiated signing bonuses of \$10,000 to \$12,000 per acre and the homeowners' lot sizes have been considered larger to include the land to the middle of the street, conditions better than are currently being proposed. Homeowners may be able to minimize their own legal expenses related to lease agreements by having the CHA negotiate a "master agreement" reviewed by its legal counsel and agreed to by the leasing company. Environmentally and to protect property values, other associations have worked with the production companies to ensure that the drilling sites do not become an eyesore, that the roads are properly maintained and that noise levels are acceptable.

Do we need to hurry to sign a lease?

Answer: No. Our understanding is that the City Council has not approved any drilling locations in the CHA area that require us to make decisions in an unwarrantedly fast manner, and that any expected drilling is many months to years away. We believe that it is in our collective best interests to move forward deliberately, not in a rushed manner, based upon the best information and using the experience and knowledge of our CHA homeowners who will be directly affected. Other communities that have been approached for gas leases have sometimes taken over a year to negotiate conditions that minimizes the drilling and production negative impact on the homeowners' property values and maximizing the bonuses and royalties to the homeowners. We already have copies of and are able to use the leases that have been negotiated by other associations (such as Overton Park, Tanglewood, Mistletoe Heights, and Ryan Place).

Do I have to use the CHA negotiated master lease or sign with any particular company?

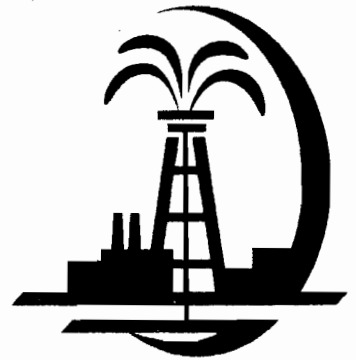
Answer: No. Each homeowner may negotiate with any company at any time. The CHA negotiated agreements are intended to facilitate a common understanding that may be to the benefit of the homeowner and may speed up the process.

Will the CHA help me determine if I have mineral rights?

Answer: No. The individual homeowners and the gas leasing companies are responsible for this. In some cases, the homeowner may also need to work with their mortgage company to determine the impact of the lease on their mortgage.

What is the CHA doing to stay current with the Barnett Shale gas leasing issues?

Answer: Current and former CHA Board Members are attending public meetings and discussing the gas well drilling issues with other homeowners associations. For example, we will have a representative at the Fort Worth League of Neighborhoods Gas Drilling Education Event for homeowners' associations' presidents on October 23rd and at the Wedgwood East Neighborhood Association meeting on gas well leasing on October 24th. We understand that all of our CHA homeowners cannot attend all of the meetings regarding this issue, and are trying to keep as up-to-date as possible.



Where are the currently proposed drilling sites?

Paloma – At the CHA meeting, Paloma stated that they are planning to drill up to 12 wells on the vacant lot on Sycamore School Road behind the old Tom Thumb grocery store, across the street from the Sonic and the new Dabney city park. This would be a high-impact site, less than 600 feet required by City ordinances and about 300 feet from our homeowners on South Ridge Trail. Drilling will go to about 7,000 feet below the surface and extending with horizontal drilling in a NW and SE direction about 4,000 feet, encompassing much of CHA. As we understand, this would require a City Council variance.

Dale Resources/Chesapeake – Based on the meeting with Dale, we understand that Chesapeake plans to drill in the area west of Trail Lake and south of Alta Mesa/Dirks Road. This drilling site is at the outer boundaries of being able to reach much of the CHA area (4000 feet horizontal drilling length), and may only reach the western part of CHA. Dale/Chesapeake indicates that they have some experience drilling 5000 to 6000 feet horizontally. Depending upon the gas reserve, we understand that it is possible to drill the 4000 feet and still get the gas from the reserve further away. In this case, the homeowners may actually lose the gas under their properties and not having the benefits of the bonus and royalty payments. This is something our committee needs to explore with experts. Dale also indicated that they are negotiating to possibly drill on church property at the intersection of Hulen Street and Sycamore School Road.

2007 CandleRidge Homeowners Association Membership Form

Name _____

Address _____

Telephone - Home _____

Telephone - Work (optional) _____

E-mail Address _____

Please complete this form and return it with your \$25 annual dues,

Senior Citizen (65 yrs.) annual dues are \$15 to:

CHA Membership Chairman, P.O. Box 331871, Fort Worth, TX 76163-1871

Your canceled check will serve as your receipt.

CandleRidge Homeowners Association never sells or otherwise shares its mailing list—we want to protect our neighbors' privacy.

******* NEWS FLASH *******

Woodway Elementary School

Playground Equipment Ordered!!!

BUILD DAY: NOVEMBER 3rd

WE NEED YOU!!!

Labor/construction: (8 a.m. – 2 p.m.)

Moving mulch: (2 p.m. – 5 p.m.)

Food/Drink handlers (All Day)

Child care for workers' children (All Day)

Medical first aid assistants. (All Day)

Security (All Day)

Clean up crew (All Day)

Questions? Contact Stephanie Nelson at #817-294-5898 or email:

steph.nelson@charter.net

**CandleRidge Homeowners
Association
P.O. Box 331871
Fort Worth, TX 76163-1871**



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CHA Officers and Committee Chairmen

President - Bob Bollinger
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Vice President - Glen Estes
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Treasurer - Alice Liu
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Secretary - Karen Hunn
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Past Presidents
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Winston & Dixie Seaman
817-346-4551

**Neighborhood Patrol
Officer**
Ross Williamson
817-392-4765

Non-Emergency Police Number
817-335-4222

Code Compliance
817-392-5158 x 1803

CandleRidge Garden Club
Jill Corrigan
817-423-5728



CHA Committee Chairmen

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