

July 7, 2006



Dear Santa Fe Trail Property Owner,

The SFTR Board of Directors feel it is our responsibility to keep you apprised of ongoing coal bed methane exploration in the area and its probable effects on the Ranch. We expect you may receive a direct mail solicitation at some future time from one or more interested development companies.

In the past, the SFTR Board of Directors has refused proposals to allow exploration and possible development of Ranch CBM (coal bed methane) because we feel the long-term effects to the Ranch would be detrimental in the very least. This opinion is based on extensive research and long experience with CBM development in the surrounding area.

You may also want to refer to Oil and Gas at Your Door? (2nd edition - 2005), a 235 page report available for free download at <http://www.earthworksaction.org/LOGuidechapters.cfm> and Drilling The West, a feature story in the July 2005 issue of National Geographic, available at your local library or online at <http://www.nationalgeographic.com/ngm/0507/feature5> The photographs and property owner's stories in both are particularly interesting.

We have seen proposals estimating possible royalties in the neighborhood of \$30 million over a production term of approximately 15 years. Keep in mind this is an optimistic guess. The mineral rights on the Ranch are divided as follows:

- The Pettigrew family owns two sixths ($\frac{2}{6}$), but the POA has executive (voting) rights on them.
- The POA owns three sixths ($\frac{3}{6}$) outright and has executive rights on them.
- Individuals own one sixth ($\frac{1}{6}$) outright and have those executive rights.

Therefore the POA Board of Directors, which you elect to oversee and manage the affairs of the Ranch in your behalf, have control of five sixths ($\frac{5}{6}$) of the mineral rights. This prevents any individual from entering into an agreement to develop only "their" CBM.

If an agreement was reached which allowed CBM development, the numbers, using the optimistic projection stated above, would work out like this:

- \$30 million divided by 15 years yields \$2 million annually
- \$666,666 would go to the Pettigrew family.
- \$999,999 would go to the POA for use as it saw fit. Since this is income from mineral rights owned by the POA, and not by individuals, it would be used for the long-term benefit of the entire Ranch, rather than be doled out among the individual owners. This may mean Infrastructure improvement, or possibly long term investment, as a hedge against future costs.
- \$734.22 would go to each parcel owner.

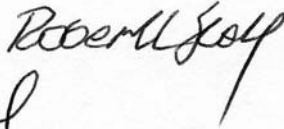
The actual numbers could be considerably lower, but the effects on the Ranch would not. The developer would possibly leave behind an administrative facility, which the POA could eventually use as a

community center. The developer would have to contribute toward road maintenance because of wear and tear caused by their trucks. There would be drilling sites developed, drilling operations conducted, pipelines run through the Ranch to some outside point, and numerous 24-hour pumping stations constructed. During development, trucks and equipment would be stored or parked on the ranch. Comparing the possible individual annual income rate of \$734.22 to the likely decline in property values, the long-term effect on owners would probably be a net loss. Given that the Ranch is an oasis in the middle of CBM development, and that we will never regain our tranquility if we ever relinquish it, this Board sincerely urges that we all resist any efforts at CBM development, now and in the future.

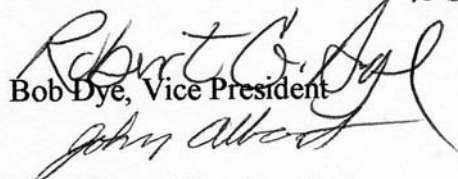
Thank you.

The SFTR POA Board of Directors

Robert L. Scott, President



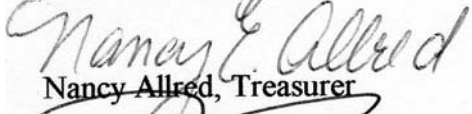
Bob Dye, Vice President



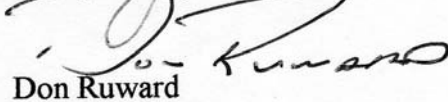
John Albert, Vice President



John Sanders, Secretary

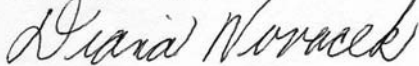


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