

## HRA Haynesville Shale Update: December 2010

According to the ShreveCentre Coalition, a number of factors have affected the law of supply and demand and brought leasing to a temporary halt. These factors include:

1. Storage of natural gas, and therefore supply, is at an all time high.
2. More natural gas is coming on line all the time from shale plays elsewhere such as the Marcellus shale in the northeast and the Bakken shale in Montana and the Dakotas.
3. At current prices (\$4) the Haynesville shale is too expensive to drill because of its depth at 11,000 feet. The Bakken and Marcellus are 1/3 the depth of here.
4. The natural gas glut has taken seasonality out of gas prices, hence no spike in prices during the cold winter.
5. When demand goes up so will prices. That is why there is great emphasis on expanding the use of natural gas vehicles.

Many residents in other parts of Shreveport have received a letter from Cobra Petroleum with a check enclosed. Please read the fine print of this contract before you consider cashing that check. You may be selling, not leasing, your mineral rights on all property that you own in the parish.

You may want to read the discussions regarding Cobra at the link below:

<http://www.gohaynesvilleshale.com/forum/topics/cobra-petroleum-company-1?id=2117179%3ATopic%3A1198275&page=1#comments>