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April 17, 2012

William H. Stallings
Chief-Transportation, Energy and Agriculture Section
Anti-trust Division, U.S. Department of Justice
450 Fifth Street, N.W., Suite 8000
Washington, DC 20530

Re: Civil Action No. 12-cv-00395-RPM-MEH

Dear Mr. Stallings,

I live in the watershed of the 4 parcels in which SG Interests and Gunnison Energy Corporation (GEC) together (but with one bidder---SG Interests) bought leases for oil and gas exploration from the BLM field office in Montrose, CO. This area in the Ragged Mountains is some of the most beautiful country in the world, and it is beyond my imagination that it would have even been considered for leasing in the first place.

While I do not have a law background to understand the distinction of a civil case vs. a criminal one in this instance, it seems that a violation of the Sherman Anti-trust Law is a very serious offense. They paid \$2 an acre for one of the parcels---the lowest possible bid.

These two companies have been doing business together in this area for about 10 years now. It is my understanding that they constructed together---each paying about \$80 million dollars---the "Bull Mountain Pipeline" to transport the proceeds of their drilling in the area.

GEC is owned by Bill Koch of Florida, who also in the last few years purchased over 4,000 acres of land in the same area of the Ragged Mountains as these disputed lease sales. He also owns one of the coal mines in the area. He recently began building a Western "memorabilia" town on the land he purchased.

According to reports in our local paper, representatives for GEC and SG Interests say that they wanted to prevent further legal fees and costs so they just settled the suit with a small fine for each. Meanwhile Mr. Koch is willing to spend millions of dollars to purchase lands in other areas of Colorado and even one in Utah in order to "swap" land for BLM acreage he wants in proximity to the land he currently owns. Most local people are opposed to this land swap as it will eliminate the most prized access to areas of the Ragged Mountains. As opposition mounted he continues to try to "sweeten" the deal with more purchases. He does not seem to be short of funds for legal matters.

Given the history of working together of these two companies, I believe there should be further investigation of other parcels they have leased from the BLM in our area.

Additionally, I believe the parcels involved in this case should be removed from their possession. The total amount paid WITH the fines would be an AVERAGE amount to be paid in competitive bidding. Therefore, the fines they paid are in essence not fines. Did they pay any costs to the U.S. taxpayers for the time in our court system? If not how much would that add? An aside---while we here in our small communities are trying to prevent our water and air from being contaminated by drilling and fracking, I question whether Mr. Koch would like to own the leases under his land in order that it NOT be drilled and spoiled.


I have recently been made aware that Eric Sanford, an attorney and the land procurer for SG Interests, is on the SW Regional BLM Resource Advisory Council (RAC). The BLM Montrose office (UFO) is included in this region. He is therefore an advisor to the same office that was "shorted" in SGI's collusion with GEC in lease sales from that office. I am scheduled to make a public comment at a local meeting next week of this advisory group. I have to wonder if anything I say as a citizen, aware of the consequences of oil and gas extraction on land, air and water, can be heard over the voices of the oil and gas industry directly advising the BLM.

And last, I have spent several hours researching the case of Tim DeChristopher, who is currently serving a 2 year sentence in federal prison. This young man of great principle, acted to protect land (80% of which was later declared illegally offered for auction) in the region of Canyon Lands and Arches National Parks in Utah. He was accused of two felonies and fined \$10,000 for bidding on these leases without an intent to pay, but with a heart knowing that what was happening was not right. He walked in the footsteps of Mohandas Gandhi and Martin Luther King, Jr. Both of those men faced much opposition because they stood up against Empire and discriminating laws.

Laws are not always just, because sometimes they are made by unjust people. To quote Mr. Gandhi: "An unjust law is itself a species of violence. Arrest for its breach is more so." Mr. King and Mr. Gandhi are hailed as heroes, particularly after their deaths, but they received much oppression while non-violently serving the people. Mr. DeChristopher non-violently stood up for me and for generations to come. We can find other ways to meet energy needs (and we should learn conservation), but we cannot find more water to grow our food and to nourish our bodies, nor can we live with toxic air sickening and killing our plants, animals, and people. The contrast of the treatment of Mr. DeChristopher and SGI and GEC by the same justice system is to me quite disturbing.

I submit these thoughts and concerns for your thoughtful consideration. May we feel honored by your judgments.

Sincerely,



Phyllis Swackhamer