

This comment is filed pursuant to 15 U.S.C. 16(b), by Gunnison Energy Corporation ("GEC"). GEC is one of the two defendants in this matter, and would not normally comment on the pending settlement to which it is a party, but because of the nature and content of the Department of Justice Antitrust Division (the "Division") press release, the spate of comments, press coverage and the false statements and impressions conveyed in those comments, compels GEC to comment.

GEC is a small, independent energy company that does business in Western Colorado in a responsible way and in cooperation with the local communities and regulatory bodies. It is a good and respected corporate citizen by all accounts other than certain isolated anti-industry activists. It values its reputation, which these activists have smeared, including with actionably defamatory publications.

First, the comments fail to understand that GEC has not been found to have violated any laws, including the antitrust laws. The Division investigated thoroughly every aspect of GEC's BLM lease acquisition activities from the company's inception to the present, and determined that with the exception of 4 leases acquired jointly with SG Interests in early 2005, GEC's activities were efficiency-enhancing and pro-competitive, and violated no laws. So the settlement pertains to 4 leases only, out of the dozens of leases acquired by GEC over its 10+ year history.

Second, GEC believes it can establish that as to some or all of those 4 leases there would not have been competitive bidding even if GEC and SG had not bid jointly. Thus, the BLM did not lose any revenue it otherwise would have received.

Third, joint bidding is common in the oil and gas industry, and is contemplated and even encouraged in the Mineral Leasing Act. SG and GEC agreed to acquire the 4 leases - as well as others that the government did not pursue - as part of a joint venture to develop wells and transportation facilities in the North Fork Valley. Joint ventures and joint bidding are recognized practices by the BLM and the antitrust laws, and GEC's conduct was consistent with all the applicable rules and laws.

Fourth, GEC agreed to settle the qui tam and antitrust cases for a single payment of \$275,000, not because it engaged in any illegal or improper conduct, but because the cost of defending itself would far exceed the cost of settling.

Finally, it needs to be clarified that every dollar of GEC's settlement went to settle the qui tam lawsuit filed by the former GEC employee who negotiated and signed the agreement under which the 4 leases were acquired, and that gave rise to the litigation. The office of the United States Attorney for the District of Colorado received the entire settlement amount, and shared a portion of it with the whistleblower- former GEC employee who brought the qui tam case. The Division recovered nothing from the settlement unless some internal accounting was performed within the Department of Justice. So the 2-year investigation by the Division resulted in no recovery, which reflects the value of its claims against GEC.

The comments assert that GEC violated the antitrust laws. That is false. For the government to allege that in court filings is one thing, as such allegations are protected speech. To assert as fact

those assertions in blogs, comments to the Division, newspapers and other publications is another. GEC agreed to the settlements of the antitrust and qui tam cases and believes that the settlements are in the best interest of all parties. For the government to expend significant taxpayer dollars to pursue a meritless claim over such a minor issue would be wasteful, and for GEC to vindicate itself fully would require it to devote focus and money far out of proportion to the issue involved, and which can be better used on its development project.

GEC supports the settlement, but stands ready to defend itself if the settlement is not approved.