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April 15, 2012

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

Subject: Civil Action No. No. 12–CV–00395–RPM–MEH; United States v. SG Interests I LTD., et al.; Proposed Final Judgment and Competitive Impact Statement

Dear Mr. Stallings:

The purpose of this letter is to request that the Department of Justice set aside the subject Proposed Final Judgment and revoke the four leases that the Department of Justice determined were obtained in violation of Section 1 of the Sherman Act 15 U.S.C. 1.

Briefly, a former vice president of Gunnison Energy Corporation (“GEC”) named Anthony B. Gale filed a whistleblower lawsuit alleging that GEC and a second gas company, SG Interests (“SGI”), its “competitor”, had signed Memorandums of Understanding which provided for the two companies to jointly bid on four gas leases in the Ragged Mountain Basin in Western Colorado, eliminating competitive bidding. After SGI won the bid, the two companies split ownership of the four leases.

Following the whistleblower lawsuit, the US Department of Justice (DOJ) entered the lawsuit on anti-trust grounds and has offered a settlement under which the two firms pay fines of \$275,000 each and retain the four gas leases. These leases presumably will be drilled in Colorado’s Ragged Mountain Basin some time in the future.

I am requesting that this Proposed Final Judgment be set aside in favor of a harsher judgment for the following reasons:

1. The companies continue to maintain their innocence, asserting that they settled only to save on legal fees. Therefore, the settlement has not served to deter further actions of this kind by them. The fines of \$275,000 each are merely a token sum, and in no way represent a fair penalty.
2. It is an unfair and illogical to allow these two companies to retain the leases that were obtained illegally. It is generally recognized that property obtained illegally does not remain with the entity that acquired it in a fraudulent manner.

3. In Utah, where a man named Tim DeChristopher disrupted a BLM gas lease sale as a protest and not for monetary gain, the DOJ asked for and got a hefty fine and jail time. Mr. DeChristopher is serving two years in federal prison. This unequal application of justice undermines respect for the law and represents, once again, how the DOJ accommodates corporate crime.
4. GEC and SGI own many leases in the area and therefore, the DOJ should further investigate the other BLM auctions in which these two companies have participated. In spite of their collusion, they remain in good standing with the BLM, and may be planning to bid on upcoming lease sales.

Thank you for your consideration in this matter.

Sincerely,

A handwritten signature in black ink that reads "Carol M. Schoonhoven". The signature is written in a cursive, flowing style.

Carol M. Schoonhoven