GUNNISON ENERGY CORPORATION
An Oxbow Company

Delivered via Electronic Mail

May 7, 2013

Commissioner Phil Chamberland
Commissioner Jonathan Houck
Commissioner Paula Swenson
Gunnison County Colorado
200 East Virginia Street, Ste. 104
Gunnison, Colorado 81230

Re: Federal Lease Sale

Dear Commissioners:

As you may recall, the Bureau of Land Management removed all of the nominated federal lease tracts in Delta and Gunnison Counties which were scheduled to be auctioned in the February 14, 2013 federal lease sale and certain of the leases which had been scheduled to be auctioned in the August 2012 federal lease sale. These actions were taken in response to community concerns related to the large number of these lease tracts (approximately 30,000 acres) nominated to be auctioned in the North Fork Valley area of Delta County which were located close to communities, schools and other areas where oil and gas activities had never before occurred.

A small number of other lease tracts had been nominated for the August 2012 and February 2013 lease sales which were in Gunnison County more than 14 miles from the Paonia area. These few nominated lease tracts are within the boundaries of the Deadman Gulch federal oil and gas unit where Gunnison Energy has been drilling and producing natural gas since 2005. These lease tracts total only 1,850 acres and do not share the controversial elements of the lower North Fork Valley lease tracts which were the center of the community concerns. Attached is a map depicting the Deadman Gulch Unit and the lease tracts within the Deadman Gulch Unit which have not yet been leased.

Gunnison Energy would like to see the lease tracts within the Deadman Gulch Unit included in the next federal lease sale so that responsible, orderly development of the Deadman Gulch Unit can continue. Gunnison Energy believes auction of these lease tracts is appropriate since these lease tracts are within an existing and active area of oil and gas development, are not located close to communities or schools and are not otherwise of controversy.

I respectfully request that the Gunnison County Commission confirm whether or not it has objections to the auction of the remaining lease tracts related to the Deadman Gulch Unit as indicated on the attached map.

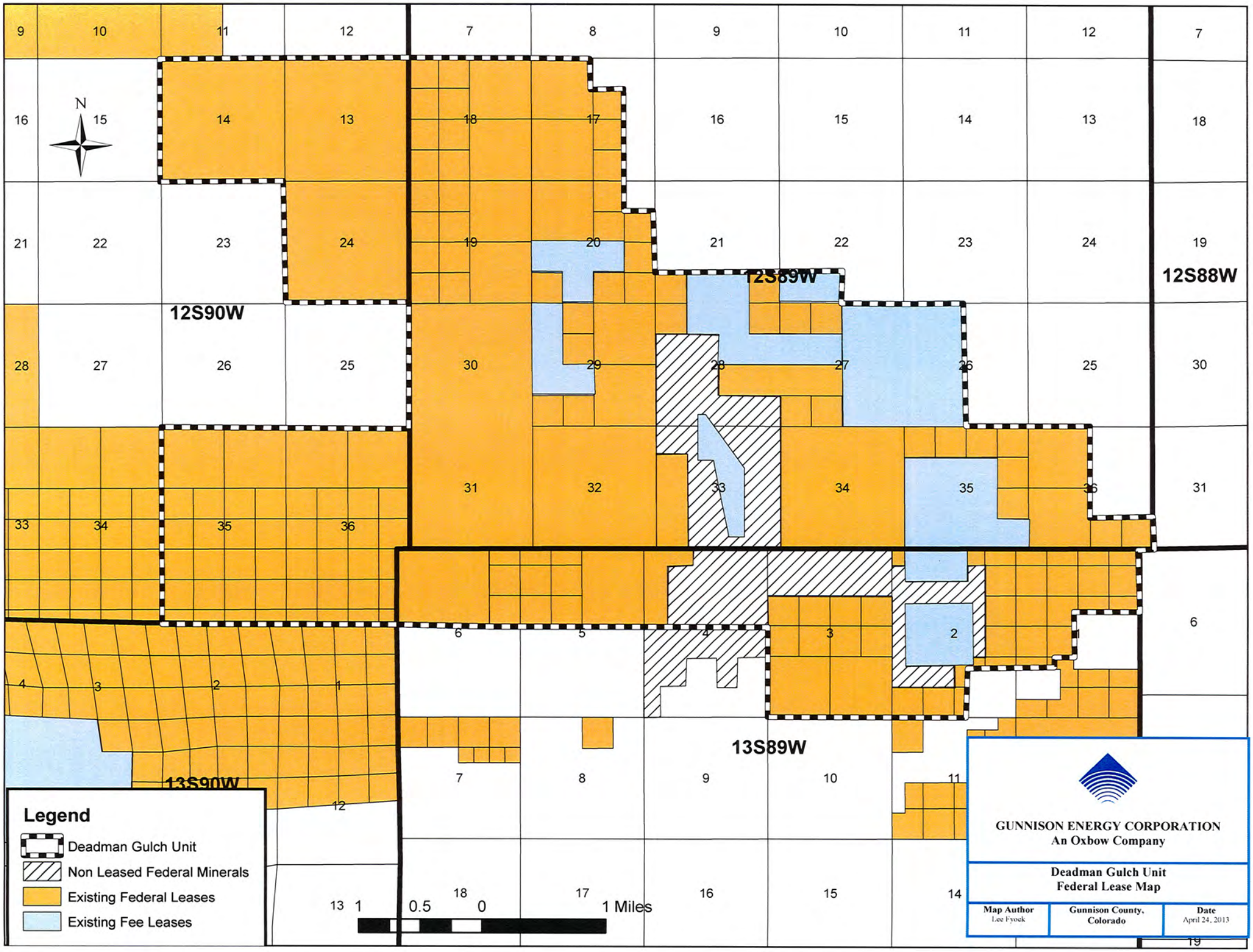
Thank you and please advise if further information is needed.

Very truly yours,

M. Brad Robinson
President

CC: Mr. David Baumgarten
Mr. Mathew Birnie

Ms. Barb Sharrow
Bureau of Land Management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Legend
Deadman Gulch Unit
Non Leased Federal Minerals
Existing Federal Leases
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GUNNISON ENERGY CORPORATION
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Deadman Gulch Unit
Federal Lease Map
Map Author
Lee Fyock
Gunnison County, Colorado
Date
April 24, 2013

Lands remaining un-leased in DMGU

Township 12 South-Range 89 West, 6th PM., Gunnison County, CO

Section 28:	W/2SW/4, NE/4SW/4, SW/4NW/4, S/2SE/4, SE/4NW/4
Section 33:	E/2SW/4, NW/4NW/4, Lots 1, 2, 3, 6, 7, E/2E/2

Township 13 South-Range 89 West, 6th PM., Gunnison County, CO

Section 2:	Lots 8, 14, 16, 19, 23, 25, 34, 39
Section 3:	Lots 5-12
Section 4:	Lots 5-23, SE/4SE/4