PETROLEUM

Rawhide Resources
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Gillette, WY 82716
(307) 682-5141

January 16, 2012

Bureau of Land Management
Attn. Rough Draw, WYW-168317
1425 Fort Street
Buffalo, WY 82834

To Whom It May Concern:

Rawhide Resources, LLC (Rawhide) is writing to comment on the land use permit that Patriot Energy Resources, LLC has applied to the BLM under 43 CFS 2920-1. Rawhide is currently supporting Patriot in this process as there are many wells on the family's land that greatly affects the company and its future production. Rawhide has created a working relationship with Patriot on many levels and has had lengthy discussion regarding this process.

We would like to point out a few things about Patriot and its project that we feel are quite important:

1. Wyoming Senate Bill 116 (SB116), passed by the Wyoming House of Representatives 58-2 and the Senate 29-1 in the last legislative session, structured the regulatory pathway to proceed in the state. The vote margin shows substantial support statewide for the technology.
2. Patriot has worked diligently with State, Federal and local governments for several years to create a framework within which to operate and still provide for the safety of all concerned.
    a. Following a lengthy review and evaluation process, the Wyoming Oil and Gas Conservation Commission (**WOGCC**) determined that nothing about Patriot's process and technology would require new rules to adequately regulate this method of gas production.
    b. It has also been determined that existing rules and regulatory structure of the Wyoming Department of Environmental Quality (**DEQ**) is adequate to regulate and appropriately monitor Patriot's technology process in a manner that will protect the public and the waters of the State of Wyoming.

c. Patriot's units are also federal units and as such come under the regulations and requirements of the Bureau of Land Management (**BLM**).
d. All of these agencies, including the **EPA**, have been involved, and will continue to be involved, in establishing and monitoring the extensive regulatory process necessary to proceed with the implementation of Luca's technology.

3. The project will not require additional surface impact or disturbance as the existing wells, facilities and infrastructure is all that's needed to implement this new phase of gas production in the project area.
4. Patriot's technology uses nutrients that are identical to common household vitamins and minerals used in many prepared foods. These nutrients **cannot** break down or evolve into toxic or otherwise harmful components in this environment. And the nutrients are utilized quickly after being introduced into the well.
5. Luca has performed this technology in over 400 PRB CBM wells and proven that the technology works and is safe to the public and environment.
6. The methanogenic process has been occurring naturally for thousands, if not millions of years, and Patriot is merely continuing this process through scientifically-assisted means.
7. Patriot's extensive water quality monitoring and testing through the past decade has demonstrated that the process and technology do not have a detrimental impact on water quality. The WDEQ is intimately involved in the permitting process to ensure protection for the state.
8. 'Traditional' CBM production removes water from the coals to release the adsorbed gas. Luca's process keeps the water in the ground to prevent the drying of the coals which slows or stops microbial activity.
9. The Powder River Basin is the perfect place to deploy the technology as it has the largest number of coalbed methane wells at a stage where their productive life can be extended.
10. The existing wells and infrastructure would allow continued production with little or no new construction.
11. This project will provide a basis to rebuild the CBM jobs base in Wyoming, contributing to Wyoming's overall economic health.
12. A successful permit in the Rough Draw Anderson-Canyon-Wall unit offers promise for sustainability of all coalbed methane wells within the Powder River Basin and other related areas.
13. Patriot's South Kitty (Wyodak-Anderson) Unit, previously approved, uses re-circulated water to enhance gas production in unit wells previously treated with nutrients. This project has demonstrated that increased gas production can be directly attributed to Luca's process. This has renewed the CBM revenue stream to the mineral owners.
14. The monitoring component of this project should put to rest concerns about any potential impacts on the coals. If it is determined through the coal calorie (Btu) study that the coals are changed in quality or quantity, the BLM, Patriot and Luca have established a method of payment for the loss of that resource. Therefore, any potential loss to future coal value will already be accounted for.

15. There are currently thousands of wells shut-in throughout the PRB that may benefit from this technology. The Luca process offers hope of continued gas production from existing infrastructure.
16. A "no effect" outcome should allow Patriot to move commercial production into other areas. Project data will reveal a pattern of effect or no-effect which should not vary significantly based on location or number of test sites monitored.
17. Many wells throughout the basin are in the process of being plugged and abandoned. If Luca is delayed further, the resource may be lost forever. Regulations are in place to safely develop this technology and it must be allowed to proceed in a timely manner.
18. Many of the wells are located on private surface and private mineral interests. As the owner of the mineral interests, I want to see my interests developed to the fullest extent as quickly and efficiently as possible.
19. Many of the wells are located where the surface is owned separately from the mineral interests. As the surface interest owner, I want to see this project authorized to proceed as it does not create additional surface disturbance.
20. Many of the wells are located on both private surface and private mineral. As Owner of both estates, I want to see this project authorized to proceed as quickly and efficiently as possible to renew or maintain the value of those interests.

If you have any further questions, please feel free to contact myself at (307) 682-5141. Thank you for time in this matter.

Sincerely,

John M. Daly
Managing Member