

RAGGED MOUNTAIN GATHERING SYSTEM STATEMENT OF OPERATING CONDITION

Gunnison Energy Corporation (Operator) hereby posts conditions for the provision of Firm and Interruptible Common Carrier Gathering Service on the Ragged Mountain Gathering System (RMG) in Gunnison, Delta and Mesa Counties, Colorado, including sections of the Gunnison and White River National Forests. This notice supersedes the notice posted December 1, 2010.

Gathering Service will be provided in accordance with the Statement of Operating Conditions (SOC) posted on at the following web site: www.Gunnisonenergy.com .

Firm Gathering Service (FGS). RMG is offering up to 9,000 Dth/day of Firm Gathering Service at a commodity rate equal to the rate of \$0.99/Dth (for 2012) set forth in the RMG Statement of Operating Conditions, plus in-kind reimbursement for Fuel, L&U and PTR, for a minimum contract term of 1 Year.

Interruptible Gathering Service (IGS). RMG is offering Interruptible Gathering Service at a commodity rate equal to the maximum rate of \$0.99/Dth (for 2012) set forth in the RMG Statement of Operating Conditions, plus in-kind reimbursement for Fuel, L&U and PTR, without any specified minimum contract term. If interruptible capacity is not fully subscribed at the maximum rate set forth above, RMG will consider requests for Interruptible Gathering Service at a discounted rate, plus in-kind reimbursement for Fuel, L&U and PTR.

Requests for service must comply with the requirements for Requests for Service set forth in Section 3 of the FGS and IGS Rate Schedules of the RMG Statement of Operating Conditions, and contain all required information, including creditworthiness information. Requests for service should be submitted in writing to:

Gunnison Energy Corporation
1801 Broadway Suite 1200
Denver, Colorado 80202
(303) 296-4222
Fax: (303) 296-4555
Attn: Jason Hoerler

Requests for service may constitute an offer to enter into a gathering service agreement with Gunnison Energy Corporation for gathering service on RMG in accordance with the terms set forth in the request which, if accepted, shall establish a binding agreement between the requestor and RMG.

For more information, contact Jason Hoerler, Gunnison Energy Corp., (303) 296-4222; e-mail: jason.hoerler@oxbow.com.

The terms and conditions of the Ragged Mountain Gathering System SOC shall govern the provision of service on RMG.