



# EQ ENERGY LLC

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March 23, 2011

Governor of the State of Nevada  
101 North Carson St.  
Carson City, NV  
89701

**RE: Nevada Bureau of Mines and Geology Budget Cut (NBMG)**

Dear Governor Sandoval,

Over the past five years, my group of investors, operating as EQ ENERGY LLC, has acquired federal oil and gas leases on 30,000 acres in Nevada. We have every intention to take these prospect areas through to the drilling of several exploration wells.

Our activity will result in the direct investment of millions of dollars in the State of Nevada, to explore and hopefully develop commercial oil production on these properties.

I can state categorically that our current activity in Nevada is a direct result of our interaction with the Nevada Bureau of Mines and Geology (NBMG) and the services they have provided to us.

The net result is that our "out of state" dollars are now being invested in Nevada, a place where we see huge upside potential.

It has come to my attention that the University of Nevada (Reno) has plans to slash the budget of the NBMG by over 50%, from \$2.1 million/year to \$1.0 million/year.

I can only speak from the oil and gas perspective, but there is no other place for us to turn to replace the services now provided by this organization; essential services that support our exploration efforts. In our national quest for decreased dependence on foreign oil, I find the proposed budget cuts to be extremely short-sighted.

As your administration quite properly attempts to control government spending, every program is under extreme budget pressure. The University must also operate within budget constraints, and has a fundamental obligation to provide education as a first priority. I respect the need for fiscal restraint, but perhaps this is unreasonably harsh.

I ask you to consider the big picture, and to exercise your considerable influence to ensure that the NBMG can continue to provide critical services to the oil and gas industry. There may be a creative alternative to budget slashing, or indeed, there may be an entirely different source of funding for this organization.

Respectfully,

Robert Bedard  
Managing Partner  
EQ ENERGY LLC  
2360 Corporate Circle · Suite 400  
Henderson, NV 89074-7722

(760) 379-0598 cell  
bedard@eqtservices.com