GUNNISON COUNTY, COLORADO

BOARD OF COUNTY COMMISSIONERS
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December 21, 2004

The Honorable Bill Owens
136 State Capitol
Denver, CO 80203-1792

Dear Governor Owens:

The Board of County Commissioners of Gunnison County supports Mountain Coal Company's (MCC) federal royalty rate reduction application at their West Elk Mine (WEM). This mine is located in Gunnison County, and is the County's largest taxpayer. It is also one of the regions largest private sector employees, providing high paying jobs in a rural part of Colorado.

Gunnison County supported MCC's initial royalty rate reduction, which was submitted in September 2001. The Bureau of Land Management (BLM) modified that original request to approve less than half the tons contained in the application, with the proviso that MCC could resubmit an application for the remaining tons if the geology did not improve. This subsequent application was submitted in August 2003 with the intent that the follow-up application would apply when the first approval expired which was December 2003.

It is critically important to Gunnison County that the West Elk Mine remain financially viable as the mine transitions from this geologically difficult area to new reserves in which the geology is anticipated to be better.

Please contact us if you have any questions regarding our support of the Mountain Coal Company royalty rate reduction request.

Sincerely,

Fred R. Field,	Jim Starr,	Perry Anderson,
Chairperson	Commissioner	Commissioner

Cc: Mr. Ron Cattany, Director Colorado Division of Minerals and Geology
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Denver, CO 80203
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