Gunnison County
COLORADO

Gunnison County Board of County Commissioners
Phone: (970) 641–0248 • Fax: (970) 641–3061
Email: bocc@gunnisoncounty.org • www.GunnisonCounty.org

May 15, 2012

The Honorable John Hickenlooper
Governor of the State of Colorado
136 State Capitol
Denver, CO 80203-1792

RE: Mountain Coal Company, LLC
Federal Royalty Rate Reduction Application

Dear Governor Hickenlooper:

The Gunnison County Board of County Commissioners supports the federal royalty rate reduction application submitted by Mountain Coal Company, LLC for the West Elk Mine. This mine is the County's largest taxpayer and one of the region's largest private sector employers. If approved, the royalty rate will be reduced from 8% to 5% for a five-year period, retroactive to February 1, 2010, where specific adverse mining conditions exist.

It is vital 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 improve.

Sincerely,

Hap Channell, Chairperson | Paula Swenson, Commissioner | Phil Chamberland, Commissioner

cc: Colorado Division of Reclamation Mining and Safety Director Loretta Pineda
Bureau of Land Management Deputy State Director Lonny R. Bagley
Mountain Coal Company, LLC