AGENDA ITEM or FINAL CONTRACT REVIEW SUBMITTAL FORM

Agenda Item: Ratification of Correspondence; Governor John W. H

Action Requested: Motion

Parties to the Agreement:

Term Begins: **Term Ends:** **Grant Contract #:**

Summary:

The attached was signed and distributed on 2/16/16. The BOCC worked with County Attorney David Baumgarten to write it.

Fiscal Impact:

Submitted by: Katherine Haase for CAO **Submitter's Email Address:** khaase@gunnisoncounty.org

Finance Review: ○ Required ◉ Not Required

Comments:

Reviewed by: Discharge Date:

County Attorney Review: ○ Required ◉ Not Required

Comments:

Reveiwed by: Discharge Date: Certificate of Insurance Required

Yes ○ No ○

County Manager Review:

Comments:

Reveiwed by: GUNCOUNTY1\mbirnie Discharge Date: 2/22/2016

◉ Consent Agenda ○ Regular Agenda ○ Worksession Time Allotted:

Agenda Date: 3/1/2016

Revised April 2015

Gunnison County
COLORADO

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

February 16, 2016

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

Re: U.S. Bureau of Land of Land Management;
Proposed Royalty Rate Reduction;
Oxbow Mining LLC

Honorable Governor Hickenlooper:

The Board of County Commissioners of Gunnison County, Colorado has reviewed the correspondence with attachment, dated December 4, 2015, from Ruth Welch, State Director, U.S. Bureau of Land Management, to you requesting comment regarding a proposed royalty rate reduction from Oxbow Mining, LLC. for the Elk Creek Mine.

The Board of County Commissioners respectfully suggests that there is a fundamental disconnect between the rational in the draft BLM decision (i.e. a prospective inducement or enhancement to mine-in the future-reserves) and a retroactive application of the reduction of rate.

The "Royalty Rate Reduction Application" was submitted to the BLM on November 8, 2012. At that time, the subject leases were being developed by longwall mining methods: However, in January 2014, following numerous shutdowns of longwall operations in 2013, all mining activity was idled and has not resumed. Therefore, the 2012 proposal is untimely and not relevant to current conditions.

The Board requests that the State of Colorado oppose the proposed royalty rate reduction.

Respectfully:

Paula Swenson, Chairperson | Phil Chamberland, Vice Chairperson | Jonathan Houck, Commissioner

Cc: Ruth Welch
State Director
United States Department of the Interior
Bureau of Land Management
2850 Youngfield Street
Lakewood, Colorado 80215-7210