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*Lieutenant Governor*

**State of Utah**  
DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
*Executive Director*

**Division of Oil, Gas and Mining**

JOHN R. BAZA  
*Division Director*

*General  
Outgoing  
&*

February 3, 2009

James Fulton, Chief  
Denver Field Division  
Office of Surface Mining  
1999 Broadway, Suite 3320  
P.O. Box 46667  
Denver, Colorado 80201-6667

**Subject: Coal Regulatory Grant unused funds expected for the 2008 Grant**

Dear Mr. Fulton:

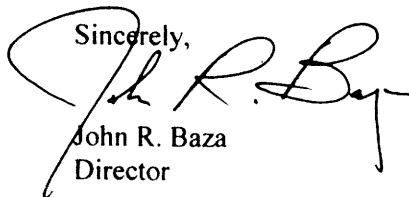
Per requests from your office we have reviewed our current budget status and estimate we will have approximately \$150,000 of unused funds through the end of the grant period. We do not expect to have unused funds in future grant periods, as this is an unusual circumstance. Through attrition and transfers, we dropped from 21 to 15.1 full time Title V employees (FTE's) earlier this year and operated at that level for the first 6 months of the grant. Our needs and grant application are based on 18 FTE's as suggested by our Legislative audit, which was a reduction of 3 FTE's from previous grant years. During the past 3 months we were able to fill 2 positions, so the total FTE count will increase before the grant year-end, but our costs will still not meet the original grant request level.

We would request that you give us a final opportunity to reevaluate our cost savings before redistributing these funds, to ensure no unexpected costs or errors in estimating have occurred.

We also request that this reduction of our 2008 grant not be reflected in our 2009 grant since operating at this level is not adequate for the long-term and as soon as we are certain of our financial situation in respect to state funding, we will be filling the remaining open positions and operating at the 18 FTE level as requested.

Should you have any questions regarding this request, please contact Dana Dean (801) 538-5320 or Jill Marriott (801) 538-5381. Thank you for your assistance.

Sincerely,



John R. Baza  
Director

JRB/dd/vs  
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