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State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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October 29, 1999

Douglas M. Koza, Deputy State Director
Bureau of Land Management
Division of Natural Resources
324 South State Street
Salt Lake City, Utah 84145-0155

Re: Skyline Mine Royalty Reduction Request- Comments, Canyon Fuel Company, LLC, Skyline Mine, ACT/007/005, File #3, Carbon County, Utah

Dear Mr. Koza:

This letter is in regard to your request to comment on the "Amendment to Skyline Mine Royalty Reduction Request filed January 14, 1999". In response, the Division would certainly rely on the judgement of the BLM to evaluate financial viability in light of mineable coal reserves. If the BLM concurs with the operator that a reduction in their current rate will sustain the operation through a difficult period, then the Division is certainly supportive of keeping this mine as a viable and financially sustainable operation. In the Division's experience, a healthy mining operation is the very best at performing in an environmentally conscious manner. Because the Division's mission is the environmentally sensitive extraction of coal and successful final reclamation, then granting Canyon Fuel's request would likely be in line with that goal.

Thank you for the opportunity to comment of the proposed royalty rate reduction request from Canyon Fuel Company

Sincerely,

for Lowell P. Braxton
Director

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