



## United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office  
 P.O. Box 45155  
 Salt Lake City, UT 84145-0155  
 www.ut.blm.gov

*Downing*  
 2/007/005

IN REPLY REFER TO:  
 3485  
 U-044076  
 (UT-924)

AUG 29 2003

CERTIFIED MAIL—Return Receipt Requested

### DECISION

Canyon Fuel Company, LLC	:	Coal Leases
c/o Ark Land Company	:	
Attn: Douglas M. Downing	:	U-044076
CityPlace One, Suite 300	:	
St. Louis, MO 63141	:	

Royalty Rate Re-certification Accepted  
Royalty Rate Reduction Continues

On August 29, 2001, Canyon Fuel Company, LLC filed for a royalty rate reduction, on Federal coal lease U-044076, from 8 percent to 5 percent for production of coal on reserves located in Mine #3, Level 2 in the Lower O'Connor "B" coal seam.

The Bureau of Land Management approved the royalty rate reduction effective September 1, 2001, subject to the annual submission of a certified statement that the conditions that justified the granting of the reduction continue to exist.

A re-certification statement was received in this office on August 6, 2003. It is hereby accepted and a royalty rate of 5 percent is to continue on the pertinent lands on coal lease U-044076 until September 1, 2004. A certified statement that the conditions that justified granting of the royalty

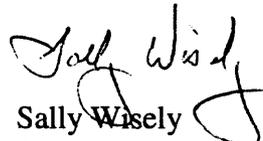
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DIV. OF OIL, GAS & MINING

rate reduction continue to exist must be received in this office on or before September 1, 2004. Failure to submit this annual certification shall result in the immediate termination of the royalty rate reduction, at which time the production royalty rate shall automatically revert to 8 percent.

Sincerely yours,

  
Sally Wisely  
State Director

Enclosure:  
Certification Statement (1 p)

cc: Canyon Fuel Company, LLC, Attn: Richard D. Pick, 6955 Union Park Center, Suite 540,  
Midvale, UT 84047 (w/encl.)  
Skyline Mine, Attn: Dan Meadors, P.O. Box 719, Helper, UT 84526 (w/encl.)  
MMS, Solid Minerals Staff, MS 390B2, P.O. Box 25165, Denver, CO 80225 (w/encl.)  
Mr. Lowell Braxton, Director, UDOGM, Box 145801, SLC, UT 84114 (w/encl.)  
Price Coal Office (Attn: George Tetreault) (w/encl.)

**Canyon Fuel Company, LLC**  
6955 Union Park Center, Suite 540  
Midvale, Utah 84047  
Fax: 801 569 4799  
801 569 4706



**RECEIVED**

**AUG 6 2003**

Bureau of  
Land Management

**Richard D. Pick**  
President and CEO

August 1, 2003

UTAH STATE OFFICE		STATE DIRECTOR'S OFFICE	
RT	OFFICE	INITIAL	DATE
	SD		
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CERTIFIED MAIL  
RETURN RECEIPT REQUESTED

Ms. Sally Wisely  
Utah State Director  
United States Department of the Interior  
Bureau of Land Management  
P.O. Box 45155  
Salt Lake City, UT 84145-0155

**Re: Canyon Fuel Company, LLC-Skyline Mine**  
**"Excess Water" Royalty Rate Reduction Recertification**  
**Coal Lease U-044076 (Canyon Fuel File No. SK-004)**

Dear Ms. Wisely:

By Decision dated October 1, 2002, but effective September 1, 2001, the Bureau of Land Management granted a reduction in the royalty rate imposed on the above-referenced coal lease. As you know, as part of that decision, Canyon Fuel Company, LLC is required to certify annually, on or before September 1<sup>st</sup>, that the facts upon which the agency's decision was based have not changed in any material way. This letter is submitted in satisfaction of that requirement, and Canyon Fuel Company, LLC does hereby certify that the geological and operating conditions of the lease have not changed in 2003.

Please feel free to contact Dan Meadors, Mine Manager for Skyline Mine at (435) 448-2619 if you have any questions.

Very truly yours,

Richard D. Pick  
President and CEO  
Canyon Fuel Company, LLC

Cc: Dan Meadors  
Steve McCurdy  
Doug Downing