



State of Utah  
DEPARTMENT OF NATURAL RESOURCES  
DIVISION OF OIL, GAS AND MINING

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June 22, 2001

Sally Wisely, State Director  
U.S. Bureau of Land Management, U.S.D.I.  
Utah State Office  
P.O. Box 45155  
Salt Lake City, Utah 84145-0155

6/20/01  
OUTGOING

Re: Royalty Rate Reduction at the Horizon Coal Mine, Carbon County, Utah

*Sally*  
Dear Ms. Wisely:

This letter is to memorialize our concurrence with the summary set forth in your letter of June 11, 2001 relative to the royalty rate reduction application for this coal mine. The State of Utah agrees that the coal which is the subject of this royalty rate reduction request probably would not be mined if the rate reduction from 8 percent to 5 percent is not granted. Likewise, limiting the royalty rate reduction to the first three panels and then evaluating production costs on an annual basis is appropriate in this case.

We hope that the projected \$720,000 increase in revenues to the federal and state government will be realized as a result of this action by B.L.M. Please let me know if you have any additional information needs on this topic.

Sincerely,

*Lowell P. Braxton*  
Lowell P. Braxton  
Director

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