



GARY R. HERBERT  
Governor

GREGORY S. BELL  
Lieutenant Governor

# State of Utah

DEPARTMENT OF NATURAL RESOURCES

MICHAEL R. STYLER  
Executive Director

Division of Oil, Gas and Mining

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May 30, 2012

Roger Bankert  
Bureau of Land Management  
P. O. Box 45155  
Salt Lake City, Utah 84145-0155

Subject: Royalty Rate Reduction for the 22<sup>nd</sup> West Outby Longwall Panel, Deer Creek Mine, PacifiCorp, C/015/0018

Dear Mr. Bankert:

I have reviewed Pacificorp's application for a Royalty Rate Reduction for the 22<sup>nd</sup> West Outby Longwall Panel at the Deer Creek Mine, and other pertinent documents you supplied. I find the request to be reasonable in light of the geologic and engineering challenges to be encountered in mining the panel. The fact that this is coal that was not included in the original R<sup>2</sup>P<sup>2</sup> means that the state will have a net benefit from this panel, even at the reduced rate. I offer Utah's support in favor of the BLM's proposed action approving the Royalty Rate Reduction.

If you have any questions regarding this matter, please contact Dana Dean at 801.538.5320.

Sincerely,

FOR  
John Baza  
Director

JRB/DD/vs

cc: Daron Haddock

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