

MARK BUNNELL: My name is Mark Bunnell with Bowie Resource Partners, and I appreciate the opportunity to speak today in this meeting. I'm a professional coal geologist and I've worked in the Utah coal industry for over 30 years with the majority of my experience with surface and underground exploration in the Wasatch Plateau and Book Cliffs coal fields. I would like to make an observation from my small part of the coal mining world to say the question of whether or not the coal mining industry is paying its fair share in federal coal lease royalties. Much of Utah's federal coal reserve and underground mining depth is becoming much more costly and difficult to explore and develop safely. The easiest, most successful reserves have been mined and the need for increased exploration efforts and costs have increased significantly. Even more importantly mining costs have greatly increased due to increased geologic complexity. Consider two federal leases, both associated with the same underground mine. The Pines federal lease of 7200 acres versus the current Greens Hollow LBA at about 6200 acres. The Pines lease exploration and drilling efforts were conducted prior to leasing and then continued after leasing and during mining from 1976 to 2002, consisting of 26 exploration holes. The Greens Hollow LBA with much deeper coal seams and more complex geology has been conducted from 1980 to the present with 29 holes drilled so far. Total cost of exploration on Greens Hollow LBA is already more than double that of Pines and additional exploration will still be required after leasing should the mining company be the successor with ultimate estimated costs that will triple the Pines lease. This is just one example and only a small proportion of the increasing cost of coal mining in reserves with increasing geologic complexity. The mining companies still faces the greatly increased costs of ground control, coal handling, water handling, safety measures, and a myriad of others. My point here is that as federal coal reserves become geologically more difficult and costly to mine, coal mining companies are incurring greater costs and bear all the financial risk involved. Our federal coal resources are important to our state and country, both of which benefit from royalty payments. Mines in federal coal already pay bonus bids and taxes in addition to the royalty. I feel currently royalty rates and rules are adequate and should be maintained as they are. Increasing royalty rates will adversely jeopardize an important source of federal, state, county, and community income. It will also jeopardize our local coal industry's ability to remain viable and continue to provide a safe, reliable, low-cost fuel

source for our local power utilities and above all provide jobs for thousands of hard-working, tax-paying citizens of Utah. As the BLM considers the various questions being evaluated in the programmatic EIS, please consider the increasingly challenging geology in which we must mine. Thank you.