



**Montana Resources**

Montana Resources, LLP  
600 Shields Ave.  
Butte, Montana  
USA 59701

(406) 496-3200  
(406) 723-9542 Fax  
www.montanaresources.com

EXHIBIT 10  
DATE 1/19/2011  
HR

January 19, 2011

Chairman Hollandsworth & Committee Members  
Joint Subcommittee on Education  
Room 472  
Capitol Building  
Helena, MT 59620

Mr. Chairman & Committee Members:

As a taxpayer, Montana Resources, LLP appreciates the need to balance a budget. However, budget cuts that will create a larger problem down the road or will harm future development are not wise. The Montana Bureau of Mines and Geology (MBMG) is a service agency that operates effectively and efficiently and is widely respected by the public. I have used the MBMG's services for over 40 years and I admire the professional and hands-on manner in which they provide information. In other words, the State of Montana gets a lot of "bang" for their buck with the MBMG.

Through the Groundwater Assessment Program (GWAP) and the Groundwater Investigation Program (GWIP), the Montana Bureau of Mines and Geology is a vital player in the monitoring and reporting of surface and ground water quantity, quality, and location. The information and expertise provided by these programs allows counties such as Butte-Silver Bow, state agencies, USFS, BLM, the EPA, citizen groups, mining companies, and other land holders in the State of Montana to make informed land use decisions as they plan for the future.

MBMG is the primary provider of geologic maps for Montana. Available and reliable geologic maps provide basic and essential information for the sensible development of our communities, the beneficial development of our natural resources, and the permitting needs of our modern society. Matching State funds are necessary to sustain geologic mapping efforts under the Federal STATEMAP Program.

Another item of concern to Montana Resources is budget cuts that have and will impact one person operations in the MBMG. The small miner's program is one of these. Even though we are not a small mine we depend on information provided by the small miner's program. The mining industry in this State cannot be separated into large and small when it comes to the need for mineral information. Most large mineral properties started out as a prospect, and were most likely discovered by a small miner. The importance of the natural resource assets of this State cannot be overstated. In fact, the budget shortfall would be tremendous if not for the taxes paid by the metal (copper, gold, silver, platinum, etc), nonmetal (talc, sand & gravel, limestone, etc), and energy (oil, gas, and coal) industries.



Montana Resources, LLP  
600 Shields Ave.  
Butte, Montana  
USA 59701

(406) 496-3200  
(406) 723-9542 Fax  
[www.montanaresources.com](http://www.montanaresources.com)

In 2010, MR spent over \$22 million in purchase orders to the Butte/Anaconda area and \$6.7 million in purchase orders to the rest of Montana. Butte/Silver Bow received over \$6.6 million in production and property taxes and the state of Montana received over \$6.2 million in Metal Mines Taxes.

Montana Resources works with many business partners to insure that we can continue to operate efficiently, remain a low cost producer in the world marketplace, and provide safe employment to our highly skilled workforce of 348 direct personnel. The economic multiplier of a natural resource producer adds many, many, more jobs in Butte and across the state.

The reason I detailed the economic impact of Montana Resources is to point out that the MBMG provides critical information for **all** of our natural resource industries. The viability of the MBMG is important to you, as a citizen of this state, and to Montana Resources, which is the largest surface mining operation in the state. If only one opportunity is missed to discover, develop, or permit a mineral resource because of the lack of one or two FTE's, the loss in future revenue and employment to the state could be substantial. This is a time of rising commodity and precious metal prices. The summer field season will soon be upon us. Now is not the time to cut the essentials.

The FY2011 budget reductions taken by the MBMG of 8% for Unrestricted Funding and 20% for the Ground Water Investigations Program already cut very deeply.

I urge you to **maintain** the MBMG budget at the 2010 level

Sincerely,

A handwritten signature in cursive script that reads 'Tad Dale'.

Tad Dale  
VP Human Resources  
Montana Resources, LLP  
600 Shields Avenue  
Butte, MT 59701  
406-496-3210 Office  
406-491-3944 Cell  
406-723-9542 Fax  
[tdale@montanaresources.com](mailto:tdale@montanaresources.com)

cc: Rolin Erickson  
Mike Halligan