

... 0017

Document Information Form

Mine Number: C/007/005

File Name: Internal

To: DOGM

From:

Person N/A

Company N/A

Date Sent: N/A

Explanation:

NEWSPAPER ARTICLES.

cc:

File in:
C/007,005, Internal

Refer to:

- Confidential
- Shelf
- Expandable

Date _____ For additional information

Coastal States lands Winter Quarters coal

Coastal States Energy Company has been accepted as the successful bidder for the 3,291-acre Winter Quarters coal tract with a bonus bid of \$5.6 million, announced Utah Bureau of Land Management Director G. William Lamb.

The Winter Quarters tract is located on Manti-La Sal National Forest lands in Carbon County, approximately three miles west of Scofield.

The tract, containing an estimated 24.1 million tons of

recoverable high volatile C bituminous coal, is adjacent to the company's Skyline underground mine. The company currently mines about 5 million tons of coal per year from this mine with about 400 employees.

The additional tonnage will reportedly enable the Skyline mine to maintain the current level of production well into the next century.

In addition to the bonus bid,
(Continued on Page 2A)

Coastal States:

(Continued from Page 1A)

Coastal States will pay an 8 percent royalty on all future coal mined from the tract. It is expected that an estimated \$43 million in royalty payments will be collected over the life of the lease.

Half of the bonus bid, as well as half of all rental and royalties collected, will be transferred to the State of Utah.

The sale culminated several years of work by Coastal States in gathering information, and by BLM and the Forest Service in completing geologic, engineering, environment and economic evaluations.

Coastal was the only company to submit a sealed bid at the May 30 coal lease sale in Salt Lake City.

File in:

- Confidential
- Shelf
- Expandable

Refer to Record No. 0017 Date _____

In C/ 007, 005, Internal

For additional information

ACT/007/005 #2