

Document Information Form

Mine Number: C/007/006

File Name: Incoming

To: DOGM

From:

Person N/A

Company UNITED STATES DEPARTMENT OF THE INTERIOR

Date Sent: September 21, 1982.

Explanation:

MODIFIED COAL LEASE

cc:

File in:
C/007, 006, Incoming

- Refer to:
- Confidential
 - Shelf
 - Expandable

Date _____ For additional information

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

MODIFIED COAL LEASE

File
ACT/007/006
Route to Wayne
Serial Number first
SL-031286
JWH

JIM

SEP 21 1982

This lease, is entered into on **SEP 15 1982**, by the United States of America, the lessor, through the Bureau of Land Management, and

Plateau Mining Company
P. O. Drawer PMC
Price, Utah 84501

RECEIVED
SEP 21 1982

and shall become effective on September 4, 1923, (effective date),

DIVISION OF
OIL, GAS & MINING, the lessee,

Sec. 1. STATUTES AND REGULATIONS--This lease is issued pursuant and subject to the terms and provisions of the Mineral Leasing Act of February 25, 1920, 41 Stat. 437, as amended, 30 U.S.C. Sections 181-263, hereafter referred to as the Act; and of the Surface Mining Control and Reclamation Act of 1977, 30 U.S.C. Section 1201, et seq., the Federal Coal Leasing Amendments Act of 1976, as amended, 90 Stat. 1083-1092, and, in the case of acquired lands, the Mineral Leasing Act for Acquired Lands of September 7, 1947, as amended, 30 U.S.C. 351-359, et seq. This lease is also subject to all regulations of the Secretary of the Interior (including but not limited to, 30 CFR Part 211 and Chapter VII and 43 CFR Group 3400), and to all regulations of the Secretary of Energy promulgated pursuant to Section 302 of the Department of Energy Organization Act of 1977, 42 U.S.C. Section 7152, which are now in force or (except as expressly limited herein) hereafter in force, and all of such regulations are made a part hereof.

WITNESSETH:

Sec. 2. RIGHTS OF LESSEE--The lessor, in consideration of any bonus paid (or to be paid if deferred), rents and royalties and other conditions hereinafter set forth, hereby grants and leases to the lessee the exclusive right and privilege to mine and dispose of all coal in

Tract 1: T. 15 S., R. 7 E., SLM, Utah
Sec. 1, S $\frac{1}{2}$;
Sec. 12, all;
Sec. 13, N $\frac{1}{2}$.

T. 15 S., R. 8 E., SLM, Utah
Sec. 7, Lots 1-4, E $\frac{1}{2}$ W $\frac{1}{2}$;
Sec. 8, SW $\frac{1}{4}$ NW $\frac{1}{4}$.

Tract 2: T. 15 S., R. 7 E., SLM, Utah
Sec. 2, SE $\frac{1}{4}$ SE $\frac{1}{4}$;
Sec. 11, E $\frac{1}{2}$ NE $\frac{1}{4}$, NE $\frac{1}{4}$ SE $\frac{1}{4}$.

File in:

- Confidential
 Shelf
 Expandable

Refer to Record No. 0021 Date _____

In C/ 007, 006, Incoming

For additional information

containing 1,791.12 acres, more or less, and subject to the conditions, limitations and prohibitions provided in this lease and in applicable acts and regulations, the right to construct all works, buildings, structures, equipment, and appliances which may be necessary and convenient for the mining and preparation of the coal for market, and, subject to the conditions herein provided, to use so much of the surface as may reasonably be required in the exercise of the rights and privileges herein granted for a period of 20 years and so long thereafter as the condition of continued operation is met.

Sec. 3. DILIGENT DEVELOPMENT AND CONTINUED OPERATION--The lessee shall engage in the diligent development of the coal resources subject to the lease. After diligent development is achieved, the lessee shall maintain continued operation of the mine or mines on the leased lands. The terms diligent development and continued operation are defined in the applicable regulations in Titles 10, 30, and 43 of the Code of Federal Regulations.

Sec. 4. BOND--The lessee shall file with the appropriate Bureau of Land Management office a lease bond in the amount of \$ 50,000 , for the use and benefit of the United States, to insure payment of deferred bonus payments, rentals and royalties and to insure compliance with all other items of this lease, the regulations and the Act (except for reclamation within the area covered by a surface mining permit issued under the permanent regulatory program by the regulatory authority) and, if appropriate, for the protection of the interests of the surface owners on the leased lands. An increase in the amount of the lease bond may be required by the lessor at any time during the life of the lease to reflect changed conditions.

Sec. 5. RENTAL--An annual rental of \$3.00 for each acre or fraction thereof shall be paid in advance on or before the anniversary date of this lease. This section shall not be subject to revision except in the course of lease readjustment.

~~Sec. 6. PRODUCTION ROYALTY--The lessee shall pay a production royalty of -----percent of the value of coal produced by strip or auger mining methods and -----percent of the value of coal produced by underground mining methods. The value of coal shall be determined as set forth in 30 CFR 211. Production royalties paid for a calendar month shall be reduced by the amount of any advance royalties paid under this lease to the extent that such advance royalties have not been used to reduce production royalties in a previous month. However, production royalties payable after the 20th year of the lease shall not be reduced by advance royalties paid during the first 20 years of the lease. Production royalties shall be payable the final day of the month succeeding the calendar month in which the coal is sold, unless otherwise specified in 30 CFR 211. The royalty rates provided in this section shall not be subject to revision except in the course of lease readjustment.~~

SEE ATTACHED

Sec. 7. ADVANCE ROYALTY--Upon request by the lessee, the District Mining Supervisor may accept, for a total of not more than 10 years, the payment of advance royalties in lieu of the condition of continued operation consistent with the regulations in 43 CFR 3473 and 30 CFR 211. The advance royalty shall be based on a percent of the value of a minimum number of tons which shall be determined in the manner established by the regulations in 43 CFR 3473.

Sec. 8. METHOD OF PAYMENTS--The lessee shall make rental payments to the appropriate Bureau of Land Management (BLM) office until production royalties become payable. Thereafter, all rentals, production royalties and advance royalties shall be paid to the appropriate office of the United States Geological Survey.

Sec. 9. EXPLORATION PLAN--The lessee shall not commence any exploration, except casual use, on the leased lands without an approved exploration plan. Exploration plans for leased lands covered by an approved mining permit shall be submitted to the Regional Director of the Office of Surface Mining in accordance with the regulations in 30 CFR Chapter VII. Exploration plans for leased lands not covered by an approved mining permit shall be submitted to the District Mining Supervisor in accordance with the regulations in 30 CFR 211.

Sec. 10. MINING PLAN--In accordance with the regulations in 30 CFR 211 and Chapter VII, the lessee shall submit a mining and reclamation plan not more than three years after the effective date of this lease. Mining operations shall not commence until after the mining and reclamation plan is approved. The mining and reclamation shall be conducted in accordance with the approved mining and reclamation plan. Exploration activities which were not included in the approved mining and reclamation plan require submittal of exploration plans in accordance with Section 9 of this lease.

Sec. 11. LOGICAL MINING UNIT (LMU)--This lease is automatically considered to be an LMU. This LMU may be enlarged, adjusted or diminished in accordance with the applicable regulations in Titles 10, 30, and 43 of the Code of Federal Regulations. The mining plan for the LMU shall require that the reserves of the LMU will be mined within a period of 40 years in accordance with 30 CFR 211 and 43 CFR 3400.0-5. The definition of LMU and LMU reserves and other applicable conditions are set forth in the regulations in 43 CFR 3400.0-5 and 3475, 30 CFR 211, and Title 10 of the Code of Federal Regulations.

Sec. 12. OPERATIONS ON LEASED LANDS--(a) In accordance with conditions of this lease, the exploration and mining and reclamation plans, the permit issued pursuant to 30 CFR Chapter VII, and all applicable acts and regulations, the lessee shall exercise reasonable diligence, skill, and care in all operations on leased lands.

(b) The lessee shall minimize to the maximum extent possible wasting of the coal deposits and other mineral and nonmineral resources, including but not limited to, surface resources which may be found in, upon, or under such lands.

Sec. 13. SPECIAL STATUTES--The lessee shall comply with the provisions of the Federal Water Pollution Control Act, 33 U.S.C. 1151-1175, and the Clean Air Act, 42 U.S.C. 7401, et seq.

Sec. 14. AUTHORIZATION OF OTHER USES AND DISPOSITION OF LEASED LANDS--(a) The lessor reserves the right to authorize other uses of the leased lands by regulation or by issuing, in addition to this lease, leases, licenses, permits, easements, or rights-of-way, including leases for the development of minerals other than coal under the Act. The lessor may authorize any other uses of the leased lands that do not unreasonably interfere with the exploration and mining operations of the lessee, and the lessee shall make all reasonable efforts to avoid interference with such authorized uses.

(b) The lessor reserves the right: (i) to sell or otherwise dispose of the surface of the leased lands under existing law or laws hereafter enacted insofar as said surface is not necessary for the use of the lessee in the extraction and removal of the coal therein, or (ii) to dispose of any resource in such lands if such disposal will not unreasonably interfere with the exploration and mining operations of the lessee.

(c) If the leased lands have been or shall hereafter be disposed of under laws reserving to the United States the deposits of coal therein, the lessee shall comply with all conditions as are or may hereafter be provided by the laws and regulations reserving such coal.

Sec. 15. EQUAL OPPORTUNITY CLAUSE--The lessee will comply with all provisions of Executive Order No. 11246 of September 24, 1965, as amended, and the rules, regulations and relevant orders of the Secretary of Labor.

Sec. 16. CERTIFICATION OF NONSEGREGATED FACILITIES--By entering into this lease, the lessee certifies that he does not and will not maintain or provide for his employees any segregated facilities at any of his establishments, and that he does not and will not permit his employees to perform their services at any location under his control where segregated facilities are maintained. The lessee agrees that a breach of this certification is a violation of the Equal Opportunity clause of this lease. As used in this certification, the term "segregated facilities" means, but is not limited to, any waiting rooms, work areas, restrooms and washrooms, restaurants and other eating areas, time clocks, locker rooms and other storage or dressing areas, parking lots, drinking fountains, recreation or entertainment areas, transportation, and housing facilities provided for employees which are segregated by explicit directive or are in fact segregated on the basis of race, color, religion, or national origin, because of habit, local custom, or otherwise. Lessee further agrees that (except where lessee has obtained identical certifications from proposed contractors and subcontractors for specific time periods) lessee will obtain identical certifications from proposed contractors and subcontractors prior to award of contracts or subcontracts exceeding \$10,000 which are not exempt from the provisions of the Equal Opportunity clause; that lessee will retain such certifications in lessee's files; and that lessee will forward the following notice to such proposed contractors and subcontractors (except where proposed contractor or subcontractor has submitted identical certifications for specific time periods). Notice to prospective contractors and subcontractors of requirement for certification of nonsegregated facilities. A Certification of Non-segregated Facilities, as required by the May 9, 1967 order (32 F.R. 7439, May 19, 1967) on Elimination of Segregated Facilities, by the Secretary of Labor, must be submitted prior to the award of a contract exceeding \$10,000 which is not exempt from the provisions of the Equal Opportunity clause. Certification may be submitted either for each contract and subcontract or for all contracts and subcontracts during a period (i.e., quarterly, semiannually, or annually).

Sec. 17. EMPLOYMENT PRACTICES--The lessee shall pay all wages due persons employed on the leased lands at least twice each month in lawful money of the United States. The lessee shall grant all miners and other employees complete freedom to purchase goods and service of their own choice. The lessee shall restrict the workday to not more than 8 hours in any one day for underground workers, except in case of emergency. The lessee shall employ no person under the age of 16 years in any mine below the surface. If the laws of the State in which the mine is situated prohibit the employment, in a mine below the surface, of persons of an age greater than 16 years, the lessee shall comply with those laws.

Sec. 18. MONOPOLY AND FAIR PRACTICES--The lessor reserves full authority to promulgate and enforce orders and regulations under the provisions of Sections 30 and 32 of the Act (30 U.S.C. Sections 187 and 189) necessary to insure that any sale of the production from the leased lands to the United States or to the public is at reasonable prices, to prevent monopoly, and to safeguard the public welfare, and such orders and regulations shall upon promulgation be binding upon the lessee.

Sec. 19. TRANSFERS--

- This lease may be transferred in whole or in part to any person, association or corporation qualified under 43 CFR 3472.1-1 to hold a lease.
- This lease may only be transferred in whole or in part to another public body, or to a person who will mine the coal on behalf of and for the use of the public body, or to a person for the limited purpose of creating a security interest in favor of a lender who agrees to be obligated to mine the coal on behalf of the public body. The transferee must be qualified under 43 CFR 3472.
- This lease may only be transferred in whole or in part to other small businesses qualifying under 13 CFR 121 and 43 CFR 3472.2-2(c).

Any transfer of this lease in whole or in part is subject to the procedures and requirements for approval in the relevant regulations in 43 CFR 3400. A transfer will become effective on the first day of the month following its approval by the authorized officer, or, if the transferee requests, the first day of the month of the approval.

Sec. 20. RELINQUISHMENT OF LEASE--The lessee may file a relinquishment of the entire lease, a legal subdivision or aliquot part thereof, but not less than 10 acres, or any bed of the coal deposits therein. The relinquishment shall be filed in triplicate with the authorized officer. Upon the determination by the authorized officer that the public interest shall not be impaired, that all accrued rentals and royalties have been paid and that all of the obligations of the lessee under the regulations and the lease terms have been met, the relinquishment shall be accepted effective the date filed.

Sec. 21. NONCOMPLIANCE--Any failure to comply with the conditions of this lease, the approved exploration and mining and reclamation plans, the regulations, or applicable acts, shall be dealt with in accordance with the procedures set forth in the regulations.

Sec. 22. WAIVER OF CONDITIONS--The lessor reserves the right to waive any breach of the conditions contained in this lease, except the breach of such conditions as are required by the Act, but any such waiver shall extend only to the particular breach so waived and shall not limit the rights of the lessor with respect to any future breach; nor shall the waiver of a particular breach prevent cancellation of this lease for any other cause, or for the same cause occurring at another time.

Sec. 23. READJUSTMENT OF TERMS AND CONDITIONS--(a) The lease is subject to readjustment on the 20th year after the effective date and on each 10th year thereafter. In order that the lease may be readjusted as close as possible to the dates when it becomes subject to readjustment, the lessor may propose the terms of readjustment of any conditions of this lease, including rental and royalty rates, before the 20th year after the effective date and before each 10-year interval thereafter. The authorized officer shall notify the lessee whether he intends to readjust the terms and conditions of the lease and, if he intends to readjust, the nature of the readjustments in accordance with the regulations in 43 CFR 3451. Unless the lessee, within 60 days after receipt of the proposed readjusted terms, files with the lessor an objection to the proposed readjusted conditions or relinquishes the lease as of the effective date of the readjustment, the lessee shall be deemed conclusively to have agreed to such conditions.

(b) If the lessee files objections to the proposed readjusted conditions, the existing conditions shall remain in effect until there has been an agreement between the lessor and the lessee on the new conditions to be incorporated in the lease, or until the lessee has exhausted his rights of appeal under Section 31 of this lease, or until the lease is relinquished, except that the authorized officer may provide in the notice of readjusted lease terms that the readjustment or any part thereof is effective pending the outcome of the appeal. If the readjusted royalty provisions are subsequently rescinded or amended, the lessee shall be permitted to credit any excess royalty payments against royalties subsequently due to the lessor.

Sec. 24. DELIVERY OF PREMISES--Upon termination of this lease for any reason, or relinquishment of a part of this lease, the lessee shall deliver to the lessor in good order and condition all or the appropriate part of leased lands. Delivery of the leased lands shall include underground timbering and such other supports and structures as are necessary for the preservation of the mine or deposit, and shall be in accordance with all other applicable provisions of the regulations, including 30 CFR 211 and Chapter VII, for the completion of operations and abandonment.

Sec. 25. PROPRIETARY INFORMATION--Geological and geophysical data and information, including maps, trade secrets, and commercial and financial information which the lessor obtains from the lessee shall be treated in accordance with 43 CFR Part 2, 30 CFR 211.6 and other applicable regulations. Total lease reserve figures developed from this information will not be confidential.

Sec. 26. LESSEE'S LIABILITY TO LESSOR--(a) The lessee shall be liable to the United States for any damage suffered by the United States in any way arising from or connected with the lessee's activities and operations under this lease, except where damage is caused by employees of the United States acting within the scope of their authority.

(b) The lessee shall indemnify and hold harmless the United States from any and all claims arising from or connected with the lessee's activities and operations under this lease.

(c) In any case where liability without fault is imposed on the lessee pursuant to this section, and the damages involved were caused by the action of a third party, the rules of subrogation shall apply in accordance with the law of the jurisdiction where the damages occurred.

Sec. 27. INSPECTIONS AND INVESTIGATIONS--(a) All books and records maintained by the lessee showing information required by this lease or regulations must be kept current and in such manner that the books and records can be readily checked at the mine, upon request, by the Regional Director or District Mining Supervisor or their representative.

(b) The lessee shall permit any duly authorized officer or representative of the lessor at any reasonable time (1) to inspect or investigate the leased lands, the exploration and mining and reclamation operations, and all surface and underground improvements, works, machinery, and equipment, and all books and records pertaining to the lessee's obligations to the lessor under this lease and regulations and (2) to copy, and make extracts from any such books and records.

Sec. 28. UNLAWFUL INTEREST--No member of, or Delegate to, Congress, or Resident Commissioner, after his election or appointment, either before or after he has qualified and during his continuance in office, and no officer, or employee of the Department of the Interior, except as provided in 43 CFR 7.4(a)(3), shall hold any share or part in this lease or derive any benefit therefrom. The provisions of Section 3741 of the Revised Statutes, as amended, 41 U.S.C. Section 22, and the Act of June 25, 1948, 62 Stat. 702, as amended, 18 U.S.C. Sections 431-433, relating to contracts, enter into and form a part of this lease insofar as they may be applicable.

Sec. 29. APPEALS--The lessee shall have the right to appeal (a) under 43 CFR 3000.4 from an action or decision of any official of the Bureau of Land Management (b) under 30 CFR Part 290 from an action, order, or decision of any official of the United States Geological Survey, or (c) under applicable regulation from any action or decision of any other official of the Department of the Interior arising in connection with this lease, including any action or decision pursuant to Section 23 of this lease with respect to the readjustment of conditions.

Sec. 30. DEFERRED BONUS--This lease is issued subject to the payment of \$ by the lessee as a deferred bonus. Payment of the deferred bonus by the lessee shall be made on a schedule specified in Section 31 (Special Stipulations) of this lease.

Sec. 31. SPECIAL STIPULATIONS-- The District Mining Supervisor shall mean the authorized representative of the Minerals Management Service and the Regional Director shall mean the authorized representative of the Office of Surface Mining. The Authorized Officer shall mean the State Director, Bureau of Land Management. The Authorized Officer of the Surface Management Agency shall mean the Forest Supervisor, Forest Service. The surface management agency for private surface shall be the Forest Service.

1. The Lessee will be responsible to comply with applicable Federal, State, and local laws and regulations.

2. In accordance with Sec. 523(b) of the "Surface Mining Control and Reclamation Act of 1977," surface mining and reclamation operations conducted on this lease are to conform with the requirements of this Act and are subject to compliance with Office of Surface Mining Regulations, or as applicable, a Utah program equivalent approved under cooperative agreement in accordance with Sec. 523(c) and final determination of suitability for mining. The United States Government does not warrant that the entire tract will be susceptible to mining.

3. The coal contained within the lease area and authorized for mining under this lease shall be extracted only by underground mining methods.

4. All support facilities, structures, equipment, and similar developments will be removed from the lease area within two years after the final termination of use of such facilities. All disturbed areas and those areas occupied by such facilities will be rehabilitated in accordance with an approved reclamation plan, 30 CFR 211 and the "Surface Mining Control and Reclamation Act of 1977" or approved Utah program as applicable.

5. (a) Before undertaking any activities that may disturb the surface of the leased lands, the Lessee may be required to conduct a cultural resource intensive field inventory in a manner specified by the Regional Director and the Authorized Officer of the surface managing agency on portions of the mine plan area and adjacent areas, or exploration plan area, that may be adversely affected by lease-related activities and which were not previously inventoried at such a level of intensity. The inventory shall be conducted by a qualified professional cultural resource specialist (i.e., archaeologist, historian, or historical architect, as appropriate), approved by the Authorized Officer of the surface managing agency and a report of the inventory and recommendations for protecting any cultural resources identified shall be submitted to the Regional Director (or the District Mining Supervisor if activities are associated with coal exploration outside an approved mining permit area) and the Authorized Officer of the surface managing agency. The Lessee shall undertake measures, in accordance with instructions from the Regional Director (or the District Mining Supervisor if activities are associated with coal exploration outside an approved mining permit area), to protect cultural resources on the leased land. The Lessee shall not commence the surface disturbing activities until permission to proceed is given by the Regional Director or the District Mining Supervisor as appropriate.

(b) The Lessee shall protect all cultural resource properties within the lease area from lease-related activities until the cultural resource mitigation measures can be implemented as part of an approved mining and reclamation plan or exploration plan.

(c) The cost of conducting the inventory, preparing reports, and carrying out mitigation measures shall be borne by the Lessee.

(d) If cultural resources are discovered during operations under this lease, the Lessee shall immediately bring them to the attention of the Regional Director (or the District Mining Supervisor as appropriate), and the Authorized Officer, Surface Management Agency. The Lessee shall not disturb such resources except as may be subsequently authorized by the Regional Director (or the District Mining Supervisor). Within two (2) working days of notification, the Regional Director (or the District Mining Supervisor, as appropriate) will evaluate or have evaluated any cultural resources discovered and will determine if any action may be required to protect or preserve such discoveries.

(e) All cultural resources shall remain under the jurisdiction of the United States until ownership is determined under applicable law.

6. Before undertaking any activities that may disturb the surface of the leased lands, the Lessee shall contact the Regional Director and Authorized Officer of the Surface Management Agency to determine whether the Lessee will be required to conduct a paleontological appraisal of the mine plan and adjacent areas, or exploration plan areas, that may be adversely affected by lease-related activities. If the Regional Director and Authorized Officer, Surface Management Agency, determines that one is necessary, the paleontological appraisal shall be conducted by a qualified paleontologist approved by the Authorized Officer of the surface management agency, using the published literature and, where appropriate, field appraisals for determining the possible existence of fossils of scientific significance. A report of the appraisal and recommendations for protecting any fossils of significant scientific interest on the leased lands so identified shall be submitted to and approved by the Regional Director and the Authorized Officer, Surface Management Agency. When necessary to protect and/or collect the fossils of significant scientific interest on the leased lands, the Lessee shall undertake the measures provided in the approval of the mining and reclamation plan or exploration plan.

(a) The Lessee shall not knowingly disturb, alter, destroy, or take any fossils of significant scientific interest, and shall protect all such fossils in conformance with the measures included in the approval of the mining and reclamation plan or exploration plan.

(b) The Lessee shall immediately bring any such fossils that might be altered or destroyed by his operation to the attention of the Regional Director or the District Mining Supervisor, as appropriate. Operations may continue as long as the fossil specimen or specimens would not be seriously damaged or destroyed by the activity. The Regional Director or the District Mining Supervisor, as appropriate, shall evaluate or have evaluated such discoveries brought to his attention and, within five (5) working days, shall notify the Lessee what action shall be taken with respect to such discoveries.

(c) All such fossils of significant scientific interest shall remain under the jurisdiction of the United States until ownership is determined under applicable law. Copies of all paleontological resource data generated as a result of the lease term requirements will be provided to the Regional Director or the District Mining Supervisor, as appropriate.

(d) These conditions apply to all such fossils of significant scientific interest discovered within the lease area whether discovered in the overburden, interburden, or coal seam or seams. Fossils of significant scientific interest do not include those fossils commonly encountered during underground mining operations such as ferns and dinosaur tracks. Skeletal remains shall be considered significant.

7. The Lessee shall, prior to entry upon the lease, conduct an intensive field inventory for threatened and endangered plant and/or animal species, bald or golden eagles, or migratory species of high Federal interest on those areas to be disturbed and/or impacted including the access routes to the lease area. The inventory shall be conducted by a qualified specialist(s) approved by the Authorized Officer, Surface Management Agency, and a report of the inventory and recommendation for the protection of these species submitted to and approved by the Authorized Officer, Surface Management Agency, and Regional Director or District Mining Supervisor as appropriate. An acceptable report of any findings shall include the specific location, distribution, and habitat requirements of the species. The Lessee shall protect these species within the lease area from any activities associated with operations conducted under the terms of the lease and shall undertake such protective measures as may be required by the Authorized Officer, Surface Management Agency, and Regional Director or District Mining Supervisor, as appropriate.

8. Powerlines used in conjunction with the mining of coal from this lease shall be constructed so as to conform with the publication "Suggested Practices for Raptor Protection on Powerlines" (Edison Electric Institute, 1975). When feasible, powerlines will be located at least 100 yards from public roads.

9. The Lessee shall provide for the suppression and control of fugitive dust on all haul roads, and at coal hauling, transportation, and storage facilities. The migration or road surfacing materials shall be controlled by watering, chemical treatment, or hard surfacing. Loss of gravel courses shall be periodically replaced.

10. In order to avoid surface disturbance on steep canyon slopes and the need for surface access, all surface breakouts for ventilation tunnels shall be constructed from inside the mine, except at specific locations approved by the Regional Director with the concurrence of the Authorized Officer, Surface Management Agency and the District Mining Supervisor.

11. Prior to mining, the Lessee shall perform a study to secure adequate baseline data to quantify the existing surface resources on and adjacent to the lease area. The study will be established in consultation with and approved by the Authorized Officer, Surface Management Agency, the Regional Director, and the District Mining Supervisor and shall be adequate to locate, quantify, and demonstrate the interrelationship of the geology, topography, surface hydrology, vegetation, and wildlife. Baseline data will be established so that future programs of observation can be incorporated at regular intervals for comparison.

12. The Lessee shall establish a monitoring system to locate, measure, and quantify the progressive and final effects of underground mining activities on the topographic surface, underground and surface hydrology, and vegetation. The monitoring system shall utilize techniques which will provide a continuing record of change over time and an analytical method for location and measurement of a sufficient number of points over the lease area. The monitoring shall be an extension of the baseline data and shall be conducted by a method approved by the Regional Director in consultation with and concurrence by the Authorized Officer, Surface Management Agency and District Mining Supervisor.

13. Underground mining operations shall be conducted in such a manner so as to prevent surface subsidence that would (1) cause the creation of hazardous conditions such as potential escarpment failure and landslides, (2) cause damage to surface structures, and improvements, and (3) damage or alter the flow of perennial streams. The Lessee in his mining plan shall provide specific measures for the protection of escarpments. The Regional Director in consultation with and concurrence of the District Mining Supervisor and Authorized Officer, Surface Management Agency, shall approve such measures and may prescribe any additional measures to be employed such as mining methods, specify the amount of coal recovered, and determine any corrective measures considered necessary to assure that escarpment failure does not occur except at specifically approved locations, or that hazardous conditions are not created.

14. Existing surface improvements required for the surface uses of the lease area will need to be protected or maintained to provide for the post-mining continuance of the current land uses. Existing surface improvements whose utility may be lost or damaged as result of mining activities are to be replaced or restored.

15. The Lessee shall reclaim all areas disturbed as a result of mining and exploration operations to a land use capable of supporting the pre-mining levels of livestock grazing, big game winter range, and other wildlife habitat.

16. At the conclusion of the mining operation, or at the request of the Authorized Officer of the Surface Managing Agency, all damaged, disturbed, or displaced land monuments, accessories and appendages shall be replaced or restored in their original location (or at other locations that meet the needs of the land net, and as approved by the Authorized Officer of the Surface Managing Agency) and shall be done at the expense of the Lessee.

THE UNITED STATES OF AMERICA

By


CHIEF, MINERALS SECTION

(Title)

WITNESS TO SIGNATURE OF LESSEE

SEP 15 1982

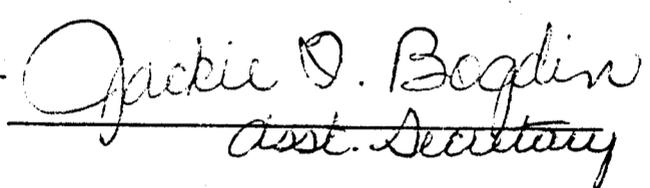
(Date)

Plateau Mining Company

(Signature of Lessee)


Floyd J. Tucker - Vice President

(Signature of Lessee)


Jackie D. Bagdin
asst. Secretary

Sec. 6 PRODUCTION ROYALTY: The lessee shall pay a production royalty of 15 cents a short ton for coal mined by underground methods for the first ten-year period and commencing with the eleventh lease year the royalty will be 17½ cents a short ton for coal mined by underground methods on Tract 1. The lessee shall pay a production royalty of 8 percent of the value of coal produced by the underground mining methods from Tract 2. The value of coal shall be determined as set forth in 30 CFR 211. Production royalties paid for a calendar month shall be reduced by the amount of any advance royalties paid under this lease to the extent that such advance royalties have not been used to reduce production royalties in a previous month. However, production royalties payable after the 20th year of the lease shall not be reduced by advance royalties paid during the first 20 years of the lease. Production royalties shall be payable the final day of the month succeeding the calendar month in which the coal is sold, unless otherwise specified in 30 CFR 211. The royalty rates provided in this section shall not be subject to revision except in the course of lease readjustment.