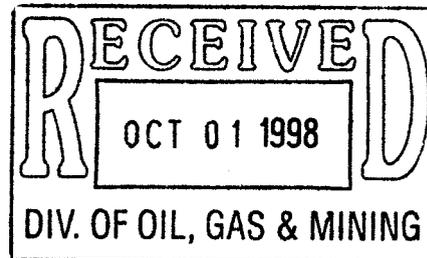




United States Department of the Interior

BUREAU OF LAND MANAGEMENT

Utah State Office
P.O. Box 45155
Salt Lake City, UT 84145-0155



In Reply Refer To:
3485
SL-031286
(UT-932)

SEP 28 1998

CERTIFIED MAIL--Return Receipt Requested

DECISION

Cyprus Plateau Mining Corporation	:	Coal Lease
P.O. Drawer 7007	:	SL-031286
Price, Utah 84501-7007	:	

*ACT/007/006
#2*

Royalty Rate Reduction For SL-031286 Approved

On January 30, 1998, Cyprus Plateau Mining Corporation (Cyprus) filed for a royalty rate reduction from 8 percent to 5 percent for the duration of production on coal lease SL-031286.

The application was submitted under Categories 1 and 2 in accordance with the Bureau of Land Management's royalty rate reduction guidelines for solid leaseable minerals. Category 1 is a request for a royalty rate reduction in order to expand recovery of the coal resource. Category 2 is a request for a royalty rate reduction in order to extend the life of the mine.

Granted

A royalty rate reduction from 8 percent to 5 percent is hereby granted under Category 2 for coal lease SL-031286 for all the remaining coal within the lease, but not to exceed a maximum period of 5 years beginning on the effective date of the royalty rate reduction. The reduced royalty rate is effective February 1, 1998, the first day of the month after the date that a complete application for a royalty rate reduction was submitted (January 30, 1998). We agree that the statutory requirements of greatest ultimate recovery, conservation of the resource, and that the lease cannot be successfully operated under the terms of the lease have been met.

Excess royalties paid on production between the submittal of the royalty rate reduction application and the approval date shall be recouped as a credit from prospective production royalty payments from lease SL-031286. In no case shall a lessee be entitled to or ever receive a cash refund once a royalty rate reduction has been approved. A lessee may recoup past royalty overpayments only from succeeding period royalty obligations for the same lease account for which a royalty rate reduction has been granted. Reporting of royalty recoupments shall be made in accordance with the Minerals Management Service's (MMS's) payor handbook.

The MMS has recently supplied verification that lease SL-031286 is in good standing. The Utah Division of Oil, gas and Mining as well as the Washington Office of the Bureau of Land Management have sent letters of concurrence to the royalty rate reduction for lease SL-031286.

Lessees receiving a reduced royalty rate under this category must submit, on or before the anniversary date (in this case, February 1st), a certified statement that the conditions that justified the granting of the reduction continue to exist. Failure to submit this annual certification shall result in the immediate termination of the royalty rate reduction, at which time the production royalty rate shall automatically revert to the production royalty rate specified in the lease.

Royalty rate reductions approved under this category are transferable with the lease, provided all lease payments are current and the lease accounts are in good standing.

This decision may be appealed to the Interior Board of Land Appeals, Office of the Secretary, in accordance with the regulations contained in 43 CFR, Part 4, and the enclosed Form 1842-1. If an appeal is taken, your notice of appeal must be filed in this office (at the above address) within 30 days from receipt of this decision. The appellant has the burden of showing that the decision appealed from is in error.

If you wish to file a petition (pursuant to regulation 43 CFR 4.21) (58 FR 4939, January 19, 1993) (request) for a stay (suspension) of the effectiveness of this decision during the time that your appeal is being reviewed by the Board, the petition for a stay must accompany your notice of appeal. A petition for a stay is required to show sufficient justification based on the standards listed below. Copies of the notice of appeal and petition for a stay **must** also be submitted to each party named in this decision and to the Interior Board of Land Appeals and to the appropriate Office of the Solicitor (see 43 CFR 4.413) at the same time the original documents are filed in this office. If you request a stay, you have the burden of proof to demonstrate that a stay should be granted.

Standards for Obtaining a Stay

Except as otherwise provided by law or other pertinent regulation, a petition for a stay of a decision pending appeal shall show sufficient justification based on the following standards:

- (1) The relative harm to the parties if the stay is granted or denied,
- (2) The likelihood of the appellant's success of the merits,
- (3) The likelihood of immediate and irreparable harm if the stay is not granted, and
- (4) Whether the public interest favors granting the stay.

/S/ G. William Lamb

G. William Lamb
State Director

Enclosures

1. Washington Concurrence
2. State of Utah Concurrence
3. Geologic and Engineering Report

cc: Cyprus Plateau Mining Corp., Box 3299, Englewood, CO 80155-3299 (w/encl)