



OGMCOAL DNR &lt;ogmcoal@utah.gov&gt;

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**Fwd: Bronco/Hidden Valley coal lease information**

1 message

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**Steve Christensen** <stevechristensen@utah.gov>  
To: OGMCOAL DNR <ogmcoal@utah.gov>

Tue, Mar 31, 2020 at 7:06 AM

Hidden Valley- Coal Lease Information

----- Forwarded message -----

From: **John A. Gefferth** <JGefferth@barr.com>  
Date: Mon, Mar 30, 2020 at 3:58 PM  
Subject: Bronco/Hidden Valley coal lease information  
To: Steve Christensen <stevechristensen@utah.gov>  
Cc: Kit Pappas (jpappas@broncouth.com) <jpappas@broncouth.com>

Steve

Attached and below please find information concerning the Hidden Valley coal lease.

Please let us know when the call is scheduled.

*Bronco Utah Operations, LLC ("Bronco") is the current lessee under a Coal Lease dated August 20, 1976 between Ivie Creek Coal Company, as the original lessor, and Peter L. Shea and Clifford Minerals Corporation, as the original lessees (the "Coal Lease"). Miracle Rock Mining and Research, LC is one of multiple current lessors under the Coal Lease. A copy of the Coal Lease is attached to this email. At least \$1,490,000 in advance royalties have been paid to date pursuant to the Coal Lease.*

*Section 2 of the Coal Lease provides for a term commencing on August 20, 1976 and continuing through January 31, 2007, subject to the lessee's right to extend the term of the lease for an additional thirty years "by serving sixty days' written notice upon Lessor of its election to so extend." Consolidation Coal Company (one of Bronco's predecessors-in-interest) delivered a written notice of extension dated February 3, 2006 (the "Extension Letter") to the agent for the Ivie Creek Coal Company Shareholders Trust, which was then the successor lessor under the Coal Lease. A copy of the Extension Letter is attached to this email. The Extension Letter was delivered a full year before the Coal Lease would otherwise have expired. Consolidation Coal Company received a letter dated February 27, 2006 confirming receipt of the Extension Letter; this letter is also attached to this email.*

*Pursuant to the Extension Letter, the Coal Lease remains in effect, and the term of the Coal Lease has been extended through January 31, 2037.*

**"KEEP CALM AND WASH YOUR HANDS!"**

John A. Gefferth

Senior Mining Environmental Consultant  
Salt Lake City, UT office: 801.333.8425  
cell: 314.304.8328  
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Steve Christensen, Coal Program Manager  
Utah Division of Oil, Gas and Mining  
[1594 W North Temple, Suite 1210](#)  
[Salt Lake City, Utah 84116](#)  
(801) 538-5350 w  
(385) 290-9937 c  
[stevechristensen@utah.gov](mailto:stevechristensen@utah.gov)

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### 3 attachments



**Coal Lease dated Aug. 20, 1976.pdf**  
1403K



**Extension Letter dated Feb. 3, 2006.pdf**  
223K



**Confirmation Letter dated Feb. 27, 2006.pdf**  
113K

EXHIBIT "A"

COAL LEASE

THIS COAL LEASE made and entered into this 22<sup>nd</sup> day of August, 1976, between IVIE CREEK COAL COMPANY, a Utah corporation, with its principal office at 518 Walker Bank Building, Salt Lake City, Utah ("Lessor"), and PETER L. SHEA and CLIFFORD MINERALS CORPORATION, a Utah corporation, with principal office at 1720 Beneficial Life Tower, Salt Lake City, Utah (collectively "Lessee").

In consideration of the mutual promises herein, it is AGREED:

1. Leased Property. Lessor hereby leases to and Lessee hereby leases from Lessor the coal rights and interests in real property in Emery County, State of Utah, described as:

The West half of Section 17 and all of Section 18 of Township 23 South, Range 6 East, Salt Lake Meridian.

During the life of this lease, Lessee may freely drill, explore, prospect, develop, mine, strip, extract and sell such coal therefrom as it may elect, and use the surface and underground thereof for all lawful purposes, provided that until the advance royalty provided in paragraph 3 hereof has been paid to Lessor, Lessee shall not sell coal from the property.

2. Term. The term of this lease is from date hereof, beginning on the date hereof, to and including the

31st day of January, 2007. Lessee may surrender this lease at any time on one day's notice given Lessor on or before December 15, 1976. If this lease is not so surrendered, thereafter Lessee may extend the term of this lease for an additional thirty years and/or may surrender this lease at the end of any quarter year during the base or extended term by serving sixty days' written notice upon Lessor of its election to so extend or surrender. Lessee's surrender of this lease shall terminate all obligations of Lessee to pay any earned royalty or advance royalty payments thereafter accruing.

3. Royalty. Lessee shall pay to Lessor earned production royalty of two percent of F.O.B. mine value of merchantable coal removed and shipped from the leased premises. Lessee shall pay Lessor an advance royalty of \$1,490,000, payable \$7,500, receipt of which is acknowledged, \$2,500 on or before November 1, 1976, and \$1,480,000 on or before December 15, 1976. Such advance royalty shall first be a credit against any earned production royalties otherwise due Lessor. Such advance royalty shall not be returned to Lessee if not earned by production royalties during the remaining term or extended term. Said earned production royalty, to the

extent it exceeds the advance royalty, shall be paid quarterly on or before the last day of the month following each quarterly period. Each quarter, as aforesaid, Lessee shall supply Lessor with a full and complete report of its coal mined and shipped for such quarter and its calculation as to the amount due Lessor for earned production royalties for such quarter, with a deduction from and remaining balance of advance royalty, as appropriate. Upon written request the books and records of Lessee with respect to production and sales of coal shall be made available to Lessor for inspection at all reasonable times.

4. Purchase of Fee. Provided this lease has not previously been surrendered, when Lessee pays the \$1,480,000 advance royalty, Lessee shall pay Lessor an additional \$10,000, against which Lessor shall execute and deliver to Lessee Lessor's warranty deed to the real property described in paragraph 1 and all water rights appurtenant to or water shares owned by Lessor, reserving, however, to Lessor the coal, mineral, oil and gas rights in said property. Such coal rights shall continue to be leased to Lessee under the terms and conditions hereof. Such conveyance shall include reasonable public or private access to the property for these mining operations and shall be subject to no liens or encumbrances except real property taxes accruing in the year of the conveyance (which shall be prorated as of date of the

conveyance) and this lease. Lessor shall deliver to Lessee an abstract or title insurance policy of \$100,000, at Lessor's option, evidencing marketable title to said property in Lessor on or before September 1, 1976.

5. Operations. Lessee shall carry on its exploratory and mining operations in accordance with good mining practices and shall comply with applicable state and federal laws and regulations pertaining thereto. Upon the termination of this lease, however that may occur, Lessee shall make available to Lessor for its inspection and copying, all mine maps and drilling data. All tools, equipment, pipelines, apparatus, buildings, structures and property of every nature and description, whether or not affixed to the soil placed on the said land by Lessee, shall be deemed to be and shall remain the property of Lessee, and title thereto shall at all times remain and be in Lessee.

All ad valorem taxes assessed against any property brought or stored by Lessee or real property taxes upon the leased lands or attributable to buildings or improvements constructed thereon by it shall be paid by Lessee.

Lessee shall maintain the leased coal interest clear of all liens and encumbrances arising out of any of the acts or operations of Lessee, or in the event Lessee contests any such liens or encumbrances, shall adequately

secure Lessor from loss therefrom until such contest is finally determined.

6. Liability. Lessee shall (a) hold Lessor harmless on account of any liability resulting from Lessee's activities upon said land; (b) maintain liability insurance in a financially responsible company insuring its operations against liability for injuries or death to persons or loss of or damage to property with minimum coverages for bodily injury of \$1,000,000 aggregate and for property damage of \$100,000; and (c) at all times while it is conducting operations on the said land, secure and maintain for each and every employee in any way concerned with Lessee's operations, the compensation and benefits provided for in any statute, rule or regulation relating to workmen's compensation, occupational disease or disability and employer's liability.

7. Inspection. Lessor shall have the right to inspect the workings on the land at reasonable times, but Lessee shall assume no responsibility for the safety of any representative of Lessor except for injuries which result from the gross negligence or willful misconduct of Lessee.

8. Force Majeure. All obligations of Lessee under this lease shall be suspended while, but only so long as and to the extent that, Lessee is prevented from complying with such obligation, in whole or in part, by strikes,

lockouts, acts of God, unavoidable accidents, uncontrollable delays by transportation, inability to obtain necessary materials in open market, inadequate facilities for transportation of minerals or for disposition of products, and any state or federal laws, regulations or orders, or other matters beyond the reasonable control of Lessee, whether similar to the matters herein specifically enumerated, or otherwise. Lessee shall not be required against its will to adjust any labor dispute or to question the validity of or to refrain from judicially testing any federal or state law, order, regulation or rule.

9. Default. Failure to pay the payment due on or before December 15, 1976, will automatically terminate this lease. Should any other default in any of the terms or provisions hereof occur, Lessor shall give notice to Lessee in writing as hereinafter provided, designating such asserted default. Lessee shall thereafter have a period of thirty (30) days from the date of receipt of such notice within which to correct or commence action to correct the defaults of which it has received notice. Should Lessee fail to correct said defaults or to commence and diligently pursue action to correct said defaults within said thirty-day period, Lessor may, at its election, upon written notice to Lessee, cancel and terminate this lease or it may pursue any other lawful remedy against Lessee.

10. Notices. Any notice or communication to be given hereunder shall be sent by certified mail, return receipt requested, and addressed to the respective parties at their addresses above set forth or at such other address as either party may designate by notice given hereafter. Notice shall be effective at the day and hour of deposit in the United States mail. Personal service of notice upon either the president or secretary of either party shall be equivalent to mailing.

11. Assignment and Benefit. This lease shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto, provided, however, if Lessor assigns undivided interests in this lease to more than one person, firm or corporation, Lessee shall not be bound to recognize such assignment until such assignees designate, from time to time in writing, one of such assignees as agent for all to receive notices and royalties on behalf of all.

12. Miscellaneous. This lease is the entire agreement between the parties; there are no others. The laws of Utah shall govern this lease. Execution and delivery of this Lease discharges the obligations of the parties under that certain option letter agreement of May 7, 1976, between the parties.

IN WITNESS WHEREOF, the parties hereto have caused  
this Coal Lease to be executed the day and year first above  
written.

ATTEST:

IVIE CREEK COAL COMPANY,  
A Utah Corporation

By *James J. Williams*  
Its *President*

ATTEST:

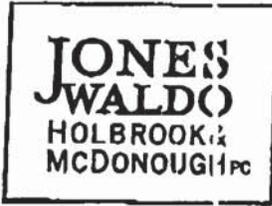
*Edward J. Williams*  
*Secretary*

CLIFFORD MINERALS CORPORATION,  
A Utah Corporation

By *J. Bennett*  
Its *President*

*Peter L. Shea*  
Peter L. Shea

*Portia C. Williams*  
*Secretary*



ATTORNEYS & COUNSELORS  
EST. 1875

TEL: 801-521-3200  
FAX: 801-328-0537

170 SOUTH MAIN ST. SUITE 1500  
SALT LAKE CITY, UTAH 84101

WWW.JONESWALDO.COM

February 27, 2006

Rodney E. Ford  
Consol Energy  
CNX Lan Resources, Inc.  
1800 Washington Road  
Pittsburgh, PA 15241-1421

RE: Ivie Creek Coal Company  
Agreement dated August 30, 1976  
Emery County, Utah  
Your Agreement No. 211059

Dear Mr. Ford:

I am in receipt of your letter dated February 3, 2006. This letter will confirm that your letter will be forwarded to Mr. M. Walker Wallace on this date at the following address:

Mr. M. Walker Wallace  
2230 East Parleys Terrace  
Salt Lake City, UT 84109

If you have any questions, please call.

Sincerely,

A handwritten signature in black ink, appearing to read "Ronny L. Cutshall".

Ronny L. Cutshall

cc: Mr. M. Walker Wallace



CNX Land Resources Inc.  
1800 Washington Road  
Pittsburgh, PA 15241-1421

phone: 412/831-4602  
fax: 412/831-4975  
e-mail: [rod.ford@consolenergy.com](mailto:rod.ford@consolenergy.com)  
web: [www.consolenergy.com](http://www.consolenergy.com)

February 3, 2006

Rodney E. Ford  
Supervisor-Land Records

Ivie Creek Coal Company Shareholders Trust  
M. Walker Wallace - Agent  
Attn: Ronnie L. Cutshall Esq.  
107 S. Main, Suite 1500  
Salt Lake City, UT 84101

Re: Agreement No. 211059  
Ivie Creek Coal Company  
Agreement dated August 30, 1976  
Emery County, Utah

Dear Mr. Cutshall:

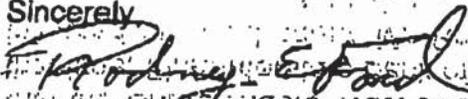
Please be advised that pursuant to Paragraph 2. of the above referenced lease, Consolidation Coal Company hereby elects to extend the term of said lease for an additional Thirty (30) years from January 31, 2007 reserving all rights of surrender contained therein.

As you are aware, Consolidation Coal Company (Consol) has not had any direct contact with the Shareholders Trust since the Assignment of the lease to Consol in 1995. At that time, First Interstate Bank of Utah, N.A. was Trustee under the Trust. You recently informed our land agent, Mr. Randy Stockdale that Mr. M. Walker Wallace was Agent for the Trust, and that Consol should forward any correspondence and/or notices pertaining to this lease to your attention.

Please confirm that this notice will be forwarded to the Agent of the Trust, and supply us with a current address for the Agent. When Consol begins coal production from the leased premises, we will require this information for mining reports, production royalties, etc.

Your cooperation in this matter is greatly appreciated. If you have any questions or I can be of further assistance, please contact me at your convenience.

Sincerely,

  
Rodney E. Ford

CONSOLIDATION COAL COMPANY  
GAPRODROYVIE CREEK

Consolidation Coal Company hereby elects to extend the term of said lease for an additional Thirty (30) years from January 31, 2007 reserving all rights of surrender contained therein.