

Document Information Form

Mine Number: C/015/015

File Name: Incoming

To: DOGM

From:

Person N/A

Company N/A

Date Sent: N/A

Explanation:

Utah State Lease for Coal

cc:

File in: C/015, 015, Incoming

- Refer to:
- Confidential
 - Shelf
 - Expandable

Date _____ For additional information

ARTICLE XII

SEE'S PARTICULAR ATTENTION IS CALLED TO _____ OF THIS LEASE.

FLOOR read: MS GR

MINERAL LEASE NO. 25005

APPLICATION NO. 25005

GRANT: Normal School - 120.00 acres
School 40.00 "

UTAH STATE LEASE FOR
COAL

THIS INDENTURE OF LEASE AND AGREEMENT entered into in duplicate this 23rd day of January, 1968, by and between the STATE LAND BOARD, acting in behalf of the State of Utah, hereinafter called the Lessor, and

THE KEMMERER COAL COMPANY
Frontier, Wyoming

party of the second part, hereinafter called the Lessee, under and Pursuant to Title 65, Utah Code Annotated, 1953.

WITNESSETH:

That the Lessor, in consideration of the rents and royalties to be paid and the covenants to be observed the Lessee, as hereinafter set forth, does hereby grant and lease to the Lessee the exclusive right and privilege to mine, remove, and dispose of all of the said minerals in, upon, or under the following described tract of land situated in Emery County, State of Utah, to-wit:

Northwest Quarter (NW $\frac{1}{4}$) of Northeast Quarter (NE $\frac{1}{4}$) of Section Twenty (20),
South Half (S $\frac{1}{2}$) of Southwest Quarter (SW $\frac{1}{4}$) of Section Twenty-nine (29),
Southeast Quarter (SE $\frac{1}{4}$) of Southeast Quarter (SE $\frac{1}{4}$) of Section Thirty (30), Township Twenty-two (22) South, Range Six (6) East, Salt Lake Meridian,

containing a total of 160.00 acres, more or less, together with the right to use and occupy so much of the surface of said land as may be required for all purposes reasonably incident to the mining, removal, and disposal of said minerals, according to the provisions of this lease, for the period ending ten years after the first day of the month next succeeding the date hereof and as long thereafter as said minerals may be produced in commercial quantities from said lands, or Lessee shall continue to make the payments required by Article III hereof, upon condition that at the end of each twenty (20) year period succeeding the first day of the year in which this lease is issued, such readjustment of terms and conditions may be made as the Lessor may determine to be necessary in the interest of the State.

ARTICLE I

This lease is granted subject in all respects to and under the conditions of the laws of the State of Utah and existing rules and regulations and such operating rules and regulations as may be hereafter approved and adopted by the State Land Board.

ARTICLE II

This lease covers only the mining, removal, and disposal of the minerals specified in this lease, but the Lessee shall promptly notify the Lessor of the discovery of any minerals excepting those enumerated herein.

ARTICLE III

The Lessee, in consideration of the granting of the rights and privileges aforesaid, hereby covenants and agrees as follows:

FIRST: To pay to the Lessor as rental for the la fifty (50) cents per acre per annum. All such annual p advance on the first day of the month following the anr the first year rental which is payable on application f credited against royalties for the year in which they a

File in:

- Confidential
- Shelf
- Expandable

Refer to Record No 0003 Date _____

In C/ 015, 015, Incoming

For additional information _____

SECOND: To pay to Lessor quarterly, on or before each quarter, royalty

(a) at the rate of 15c per ton of 2000 lbs. of coal produced from the leased premises and sold or otherwise disposed of, or

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School 40.00 "UTAH STATE LEASE FOR
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ARTICLE III

The Lessee, in consideration of the granting of the rights and privileges aforesaid, hereby covenants and agrees as follows:

FIRST: To pay to the Lessor as rental for the land covered by this lease the sum of fifty (50) cents per acre per annum. All such annual payments of rental shall be made in advance on the first day of the month following the anniversary date of each year, except the first year rental which is payable on application for this lease. All rentals shall be credited against royalties for the year in which they accrue.

SECOND: To pay to Lessor quarterly, on or before the 15th day of the month succeeding each quarter, royalty

(a) at the rate of 15c per ton of 2000 lbs. of coal produced from the leased premises and sold or otherwise disposed of, or

(b) at the rate prevailing, at the beginning of the quarter for which payment is being made, for federal lessees of land of similar character under coal leases issued by the United States at that time,

whichever is higher, and, commencing with the year beginning the January 1, following two years from the date hereof, to pay annual royalty of at least \$1.00 multiplied by the number of acres hereby leased regardless of actual production, provided that Lessor may, at any time after the tenth anniversary date hereof, increase the minimum annual royalty by not to exceed 50%.

If the coal produced from the leased premises is washed before sale or other disposition by Lessee, Lessee may pay royalty on the washed product only, provided Lessee maintains accurate record by which the weight of washed coal originating from the leased premises can be ascertained and complies with all regulations and directives issued by Lessor to prevent waste and to insure that royalty is paid on all washed coal originating from the leased premises.

THIRD: To prepare and forward to the State Land Office, on or before the 15th day of the month next succeeding the quarter in which the material is produced, a certified statement of the amount of production of all of the leased substances disposed of from said lands, and such other additional information as the State Land Board may from time to time require.

FOURTH: To keep at the mine office clear, accurate and detailed maps on tracing cloth, on a scale not more than 50 feet to the inch, of the workings in each section of the leased lands and on the lands adjacent, said maps to be coordinated with reference to a public land corner so that they can be readily and correctly superimposed, and to furnish to the Lessor annually, or upon demand, certified copies of such maps and such written statements of operations as may be called for. All surveys shall be made by a licensed engineer and all maps certified to by him.

FIFTH: Not to fence or otherwise make inaccessible to stock any watering place on the premises without first obtaining the written consent of Lessor, nor to permit or contribute to the pollution of any surface of subsurface water available or capable of being made available for domestic or irrigation use.

SIXTH: Not to assign this lease or any interest therein, nor sublet any portion of the leased premises, or any of the rights and privileges herein granted, without the written consent of the Lessor being first had and obtained.

ARTICLE IV

The Lessor hereby excepts and reserves from the operation of this lease:

FIRST: The right to permit for joint or several use such easements or rights-of-way upon, through, or in the land hereby leased as may be necessary or appropriate to the working of these or other lands belonging to or administered by the Lessor containing mineral deposits or for other use.

SECOND: The right to use, lease, sell, or otherwise dispose of the surface of said lands or any part thereof, under existing State laws or laws hereafter enacted, insofar as said surface is not necessary for the Lessee in the mining, removal, or disposal of the leased substances therein, and to lease mineral deposits, other than those leased hereby, which may be contained in said lands so long as the recovery of such deposits does not unreasonably interfere with Lessee's rights herein granted.

ARTICLE V

Upon failure or refusal of the Lessee to accept the readjustment of terms and conditions demanded by the Lessor at the end of any twenty-year period, such failure or refusal shall work a forfeiture of the lease and the same shall be cancelled.

ARTICLE VI

In case of expiration, forfeiture, surrender or other termination of this lease, all underground timbering supports, shaft linings, rails, and other installations necessary for the support of underground workings of any mines, and all rails or head frames and all installations which cannot be removed without permanent injury to the premises and all construction and equipment installed underground to provide ventilation for any mines, upon or in the said lands shall be and remain a part of the realty and shall revert to the Lessor without further consideration or compensation and shall be left by the Lessee in the lands.

All personal property of Lessee located within or upon the said lands, and all buildings, machinery, equipment and tools (other than the installations to become the property of Lessor as above provided), shall be and remain the property of Lessee and Lessee shall be entitled to, and may, within six (6) months after such expiration, forfeiture, surrender or other termination of said lease, or within such extension of time as may be granted by Lessor, remove from the said lands such personal property and improvements, other than those items which are to remain the property of the Lessor as above provided.

Lessee shall, upon termination, of this lease or abandonment of the leased premise for any reason, seal to Lessor's satisfaction all or such part of the mine openings on the premises as Lessor shall request be sealed.

ARTICLE VII

It shall be the responsibility of the Lessee to slope the sides of all operations of a surface nature to an angle of not less than 45° or to erect a barrier around such operation as the State Land Board may require. Such sloping or fencing shall become a normal part of the operation of the lease so as to keep pace with such operation to the extent that such operation shall not constitute a hazard.

ARTICLE VIII

Lessee shall not sell or otherwise dispose of any water rights acquired for use upon the leased premises except with Lessor's written permission. Upon termination of this lease for any reason, all such rights acquired by application to the Utah State Engineer shall revert to the Lessor as an appurtenance to the leased premises, and all such rights acquired by other means shall be offered to Lessor in writing for purchase at Lessee's acquisition costs, provided that Lessor shall be deemed to have rejected such offer if it does not accept the same within thirty days after receipt thereof.

ARTICLE IX

All of the terms, covenants, conditions, and obligations in this lease contained, shall be binding upon the heirs, executors, administrators, and assigns of the Lessee.

ARTICLE X

Lessee may surrender this lease for cancellation by Lessor as to all or any part of the leased lands, but not less than a quarter-quarter section or surveyed lot, upon payment of all rentals, royalties and other amounts due Lessor and by filing with the Lessor a written relinquishment. The relinquishment shall be effective as to future rental liability on the date of filing such relinquishment, but otherwise on the date of cancellation by Lessor.

ARTICLE XI

Lessor, its officers and agents, shall have the right at all times to go in and upon the leased lands and premises, during the term of said lease to inspect the work done and the progress thereof on said lands and the products obtained therefrom, and to post any notices on the said lands that it may deem fit and proper; and also shall permit any authorized representatives of the Lessor to examine all books and records pertaining to operations under this lease, and to make copies of and extracts from the same, if desired.

ARTICLE XII

This lease is issued only under such title as the State of Utah may now hold, and that in the event the State is hereafter divested of such title, the Lessor shall not be liable for any damages sustained by the Lessee, nor shall the Lessee be entitled to or claim any refund of rentals or royalties or other monies theretofore paid to the Lessor.

ARTICLE XIII

If the Lessee shall initiate or establish any water right on the lease premises, such right, shall become an appurtenance of the leased premises, and, upon the termination of the lease, the Lessee shall convey the right to the Lessor.

ARTICLE XIV

Said lease and this agreement are made upon the condition that Lessee shall perform all the covenants and agreements herein set forth to be performed by it, and if at any time, there shall be any default on the part of Lessee hereunder, and if such default shall continue for a period of thirty (30) days after written notice of such default being given by Lessor to Lessee, then and in such event said lease and this agreement shall, at the option of Lessor, be terminated by written notice to Lessee and the demised premises shall revert to Lessor.

IN WITNESS WHEREOF, the parties have hereunto subscribed their names the day and year first above written.

STATE OF UTAH
STATE LAND BOARD

BY Charles R. Hansen
Director Lessor

THE KEMMERER COAL COMPANY

By G. E. Sorensen
President

Lessee

Attest:

Lila M. Schooley
Secretary

STATE OF UTAH)
): ss.
COUNTY OF)

On the _____ day of _____, 1967, personally appeared before me _____, the signer of the above instrument, who duly acknowledged to me that _____, executed the same.

Given under my hand and seal this _____ day of _____, 19____.

My Commission Expires:

Notary Public, residing at:

WYOMING

STATE OF ~~UTAH~~)
): ss
COUNTY OF LINCOLN)

On the _____ day of March, 1968, personally appeared before me G. E. SORENSEN who being duly sworn did say that he is an officer of THE KEMMERER COAL COMPANY and that said instrument was signed in behalf of said corporation by resolution of its Board of Direstors, and said G. E. SORENSEN acknowledged to me that said corporation executed the same.

Given under my hand and seal this _____ day of _____, 19____.

My commission expires:

Notary Public, residing at:
Frontier, Wyoming

STATE OF UTAH)
): ss.
COUNTY OF SALT LAKE)

On the _____ day of _____, 19____, personally appeared before me, Charles R. Hansen, who being by me duly sworn did say that he is the Director of the State Land Board of the State of Utah and that said instrument was signed in behalf of said Board, and said Charles R. Hansen acknowledged to me that said Board executed the same in behalf of the State of Utah.

Given under my hand and seal this _____ day of _____, 19____.

My commission expires: APR 10 1968

[Signature]
Notary Public, residing at:
Salt Lake City, Utah

ASSIGNMENT

Certificate No.....

Application No.....

Grazing Lease No.....

Mineral Lease No. **ML 25005**

The undersigned, as owner of record title interest as hereinafter specified in and to ML # **25005**; GL # **TEN**; Cert. #.....; for good and valuable consideration and **TEN** DOLLARS does hereby assign to ***Consolidation Coal Company, Koppers Building,**

436 Seventh Avenue, Pittsburgh, Pennsylvania 15217

(Name and Address)

the right, title, and interest as specified below in and to the hereinbelow described lands covered by such lease:

Township 22 South, Range 6 East, SIM

1. Lands affected by this assignment:

**Section 20: NW $\frac{1}{4}$ NE $\frac{1}{4}$
Section 29: S $\frac{1}{2}$ SW $\frac{1}{4}$
Section 30: SE $\frac{1}{4}$ SE $\frac{1}{4}$
(Containing 160 acres, more or less)**

in County of **Emery** State of **Utah**.

2. Interest of assignor in such lands. **Entire leasehold interest**

3. Extent of such interest conveyed to assignee. **Undivided one-half interest**

4. Overriding royalty reserved herein to assignor. **None**

(State percentage only)

5. Overriding royalties previously reserved. **None**

(State percentage only)

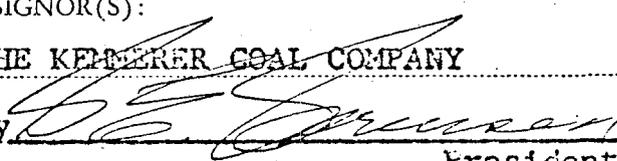
It is hereby certified that the statements made herein are true, complete, and correct to the best of the undersigned's knowledge and belief.

Executed this **16th** day of **April**, 19**68**

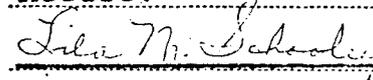
WITNESS:

ASSIGNOR(S):

THE KOPPERER COAL COMPANY

By  **President**

Attest:


Secretary

Acceptance of Assignment

(Individual)

Certificate No.....

Grazing Lease No.....

Mineral Lease No.....

Comes now the undersigned assignee(s) and (each for himself) represents that he is a citizen of the United States of America and over the age of twenty-one years. Said Assignee(s) hereby accepts the assignment from..... to said assignee(s) affecting Cert. #.....; GL #.....; ML #....., which Assignment is dated....., subject to all of the covenants and obligations of said Lease (Certificate).

IN WITNESS WHEREOF, said assignee(s) has (have) executed this Acceptance this day of, 19.....

STATE OF

COUNTY OF

} SS.

On the day of, 19....., personally appeared before me

the signer(s) of the above instrument, who duly acknowledged to me that he (they) executed the same.

Notary Public
Residing at:

My Commission Expires:

* a Delaware corporation, qualified to do business in the State of Utah.

Acceptance of Assignment

(Corporation)

Certificate No.
Grazing Lease No.
Mineral Lease No. **25005**

Comes now the undersigned assignee, a corporation of the State of **Delaware**
address is **Koppers Building, 436 Seventh Avenue, Pittsburgh, Pennsylvania 15217** whose post office
and hereby accepts the Assignment from **The Kennerer Coal Company**
affecting Cert. #.....; GL #.....; ML # **25005**....., which Assignment is dated,
....., subject to all of the covenants and obligations of said Lease (Certificate).

IN WITNESS WHEREOF, said assignee has executed this Acceptance this **24th**
day of **April**, 19**68**

Attest:
Thomas White
(SEAL) **Thomas White**
Assistant Secretary

CONSOLIDATION COAL COMPANY
By *D. Stewart*
Vice President

STATE OF _____
COUNTY OF _____ } SS.

On the **24th** day of **April**, 19**68**, personally appeared before me
of **Pittsburgh**, who, being by me duly sworn did say that he is the **Vice President**
and that the within and foregoing Acceptance of Assignment was
signed in behalf of said corporation by authority of a resolution of its Board of Directors, and said **D. Stewart**
D. Stewart duly acknowledged to me that said corporation executed the same.

Barbara Hoffman
Notary Public
Residing at: **BARBARA HOFFMAN, Notary Public**
Pittsburgh, Allegheny County, Pa.
My Commission Expires
Jan. 31, 1972

My Commission Expires:

Jan. 31, 1972

INSTRUCTIONS..... Assignment must be submitted in duplicate. The original Certificate, Grazing Lease, or Mineral
Lease must be produced with the Assignment. Partial Assignments permitted on Mineral Leases only. Fees Total Assignment, \$2.00;
Partial Assignment, \$7.00.

STATE OF UTAH
LAND OFFICE

1968 MAY 2 PM 2 30

FILED