



United States Department of the Interior

BUREAU OF LAND MANAGEMENT

New Mexico State Office  
1474 Rodeo Road  
P. O. Box 27115  
Santa Fe, New Mexico 87502-0115

IN REPLY REFER TO:  
NMNM 99144  
3400 (93000-ity)

FEB 23 2001

CERTIFIED--RETURN RECEIPT REQUESTED

NOTICE

San Juan Coal Company  
300 W. Arrington, Suite 200  
Farmington, NM 87401

Coal

Bond Accepted  
Coal Lease Issued

On February 8, 2001, we received Surety Bond No. 8145 03 91 [BLM Bond No. NM2853 ] in the amount of \$14,000.00 with San Juan Coal Company, as principal and Federal Insurance Company, as surety. The bond has been examined and found satisfactory. It is accepted effective March 1, 2001.

Enclosed is approved coal lease NMNM 99144 issued effective March 1, 2001, for a period of 20 years and for so long thereafter as coal is produced in commercial quantities from the leases lands. Please note the diligence clause in Section 4 of the lease.

In accordance with the regulations in 43 CFR 3422.4(c), San Juan Coal Company shall pay the balance in equal installments of \$2,600,000.00 on the next four anniversary dates of the lease [March 1, 2002, March 1, 2003, March 1, 2004, and March 1, 2005].

It is the continuing responsibility of San Juan Coal Company to immediately notify the Bureau of Land Management of any change concerning qualifications or of any other person(s) authorized to sign on their behalf.

*[Signature]*  
For M.J. Chavez  
State Director

1 Enclosure

cc:  
Honorable Gary Johnson w/out Enclosure  
Governor of New Mexico  
State Capital Room 400  
Santa Fe, NM 87503

BEFORE THE  
OIL CONSERVATION COMMISSION  
Case No. 12734  
Exhibit # **A-22**  
Submitted By: Richardson Oper. Co.  
Hearing Date: October 28 & 30, 2002

Application of Richardson Operating  
Co.  
Record on Appeal, 803.

# Deep Lease Extension

UNITED STATES DEPARTMENT OF THE INTERIOR

Bureau of Land Management

(NM-932-1320-05; NMNM 99144)

Notice of Coal Lease Offering

AGENCY: Bureau of Land Management, Interior

ACTION: Notice of Competitive Coal Lease Sale

SUMMARY: Notice is hereby given that certain coal resources in the tract described below in San Juan County, New Mexico, will be offered for competitive lease by sealed bid in accordance with the provisions of the Mineral Leasing Act of 1920, as amended (30 U.S.C. 181 et seq.).

DATES: The lease sale will be held at 10:00 a.m., Wednesday, November 1, 2000.

Sealed bids must be submitted on or before 9:00 a.m., on November 1, 2000.

ADDRESSES: The lease sale will be held in the BLM Conference Room, located at 1474 Rodeo Road, Santa Fe, NM 87505. Sealed bids must be submitted on or before 9:00 a.m. on November 1, 2000, to: Cashier, New Mexico State Office, P.O. Box 27115, Santa Fe, NM 87502-0115.

FOR FURTHER INFORMATION CONTACT: Ida T. Viarreal at (505) 438-7603.

SUPPLEMENTARY INFORMATION: The tract will be leased to the qualified bidder submitting the highest cash offer provided that the high bid meets or exceeds the fair market value of the tract as determined by the Authorized Officer after the sale. Each bid should be clearly identified by tract number or serial number on the outside of the envelope containing the bid. No bid that is less than \$100.00 per acre, or fraction thereof, will be considered.

*Application of Richardson Operating  
Co.  
Record on Appeal, 804.*

BEFORE THE  
OIL CONSERVATION DIVISION  
Case No. 12734 Exhibit No. \_\_\_  
Submitted By:  
*Richardson Operating Company*  
Hearing Date: November 11, 2001

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form as lessor may prescribe, lessee shall furnish accurate statements showing the amounts and quality of all products removed and sold from the lease, the proceeds therefrom, and the amount used for production purposes or unavoidably lost.

Lessee shall keep open at all reasonable times for the inspection of any duly authorized officer of lessor, the leased premises and all surface and underground improvements, works, machinery, ore stockpiles, equipment, and all books, accounts, maps, and records relative to operations, surveys, or investigations on or under the leased lands.

Lessee shall allow lessor access to and copying of documents reasonably necessary to verify lessee compliance with terms and conditions of the lease.

While this lease remains in effect, information obtained under this section shall be closed to inspection by the public in accordance with the Freedom of Information Act (5 U.S.C. 552).

**Sec. 7. DAMAGES TO PROPERTY AND CONDUCT OF OPERATIONS -** Lessee shall comply at its own expense with all reasonable orders of the Secretary, respecting diligent operations, prevention of waste, and protection of other resources.

Lessee shall not conduct exploration operations, other than casual use, without an approved exploration plan. All exploration plans prior to the commencement of mining operations within an approved mining permit area shall be submitted to the authorized officer.

Lessee shall carry on all operations in accordance with approved methods and practices as provided in the operating regulations, having due regard for the prevention of injury to life, health, or property, and prevention of waste, damage or degradation to any land, air, water, cultural, biological, visual, and other resources, including mineral deposits and formations of mineral deposits not leased hereunder, and to other land uses or users. Lessee shall take measures deemed necessary by lessor to accomplish the intent of this lease term. Such measures may include, but are not limited to, modification to proposed siting or design of facilities, timing of operations, and specification of interim and final reclamation procedures. Lessor reserves to itself the right to lease, sell, or otherwise dispose of the surface or other mineral deposits in the lands and the right to continue existing uses and to authorize future uses upon or in the leased lands, including issuing leases for mineral deposits not covered hereunder and approving easements or rights-of-way. Lessor shall condition such uses to prevent unnecessary or unreasonable interference with rights of lessee as may be consistent with concepts of multiple use and multiple mineral development.

**Sec. 8. PROTECTION OF DIVERSE INTERESTS, AND EQUAL OPPORTUNITY -** Lessee shall: pay when due all taxes legally assessed and levied under the laws of the State or the United States; accord all employees complete freedom of purchase; pay all wages at least twice each month in lawful money of the United States; maintain a safe working environment in accordance with standard industry practices; restrict the workday to not more than 8 hours in any one day for underground workers, except in emergencies; and take measures necessary to protect the health and safety of the public. No person under the age of 16 years shall be employed in any mine below the surface. To the extent that laws of the State in which the lands are situated are more restrictive than the provisions in this paragraph, then the State laws apply.

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. Neither lessee nor lessee's subcontractors shall maintain segregated facilities.

**Sec. 15. SPECIAL STIPULATIONS -**

1. The lessee shall comply at its own expense with all reasonable orders of the Secretary respecting diligent operations, prevention of waste, and protection of non-coal resources.
2. This coal lease is subject to all prior existing rights including the right of oil and gas lessees & other mineral lessees and surface users.
3. It is solely the responsibility of the coal lessee, not the responsibility of BLM, to clear the coal tract of any legal encumbrances or pre-existing land uses that would impede or prevent coal mining on the tract.

- This lease may be transferred in whole or in part to any partnership, association or corporation qualified to hold such lease interest.
- This lease may be transferred in whole or in part to another public body or to a person who will mine the coal on behalf of, or for the use of, the public body or to a person who for the limited purpose of creating a security interest in favor of a lender agrees to be obligated to mine the coal on behalf of the public body.
- This lease may only be transferred in whole or in part to another small business qualified under 13 CFR 121.

Transfers of record title, working or royalty interest must be approved in accordance with the regulations.

(b) **RELINQUISHMENT -** The lessee may relinquish in writing at any time all rights under this lease or any portion thereof as provided in the regulations. Upon lessor's acceptance of the relinquishment, lessee shall be relieved of all future obligations under the lease or relinquished portion thereof, whichever is applicable.

**Sec. 10. DELIVERY OF PREMISES, REMOVAL OF MACHINERY, EQUIPMENT, ETC. -** At such time as all portions of this lease are returned to lessor, lessee shall deliver up to lessor the land leased, underground workings, and such other supports and structures necessary for preservation of the mine workings on the leased premises or deposits and place all workings in condition for suspension or abandonment. Within 180 days thereof, lessee shall remove from the premises all structures, machinery, equipment, tools, and materials that it elects to remove or as required by the authorized officer. Any such structures, machinery, equipment, tools, and materials remaining on the leased lands beyond 180 days, or approved extension thereof, shall become the property of the lessor, but lessee shall either remove any or all such property or shall continue to be liable for the cost of removal and disposal in the amount actually incurred by the lessor. If the surface is owned by third parties, lessor shall waive the requirement for removal provided the third parties do not object to such waiver. Lessee shall prior to the termination of bond liability or at any other time when required and in accordance with all applicable laws and regulations, reclaim all lands the surface of which has been disturbed, dispose of debris or solid waste, repair the offsite and onsite damage caused by lessee's activity or activities incidental thereto, and reclaim access roads or trails.

**Sec. 11. PROCEEDINGS IN CASE OF DEFAULT -** If lessee fails to comply with applicable laws, existing regulations, or the terms, conditions, and stipulations of this lease, and the noncompliance continues for 30 days after written notice thereof, this lease shall be subject to cancellation by the lessor only by judicial proceedings. This provision shall not be construed to prevent the exercise by lessor of any other legal remedy, including equitable remedy, including waiver of the default. Any such remedy shall not prevent later cancellation for the same default occurring at any other time.

**Sec. 12. HEIRS AND SUCCESSORS-IN-INTEREST -** Each obligation under this lease shall extend to and be binding upon, and every benefit hereunder shall inure to, the heirs, executors, administrators, successors, and assigns of the respective parties hereto.

**Sec. 13. INDEMNIFICATION -** Lessee shall indemnify and hold harmless the United States from any and all claims arising out of the lessee's activities and operations under this lease.

**Sec. 14. SPECIAL STATUTES -** This lease is subject to the Clean Water Act (33 U.S.C. 1252 et. seq.), the Clean Air Act (42 U.S.C. 4274 et. seq.) and to all other applicable laws pertaining to exploration activities, mining operations and reclamation, including the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1201 et. seq.).

*Deep Lease Extension*

*Application of Richardson Operating Co.*

Record on Appeal, 805.