

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

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

FEB 2 3 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.

M.J. Chavez

State Director

I Enclosure

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

BEFORE THE OIL CONSERVATION DIVISION

Case No. 12734 Exhibit No. A-17

Submitted By:

Richardson Operating Company Hearing Date: November 11,2001