

**UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT
Eastern States State Office
7450 Boston Blvd
Springfield, Virginia 22153**

**DETAILED STATEMENT OF COAL LEASE SALE TERMS OF LEASE
OFFER AND OF COAL LEASE THAT MAY BE ISSUED AS A RESULT
OF OFFER**

East Lynn Lake Tracts

**WVES 050556
WVES 050560**

At 1:00 p.m., on December 4,, 2014, in the Bureau of Land Management Leasing Conference Room, on the second floor, 20 M Street, SE, Washington, DC 20003, an authorized officer of the Bureau of Land Management (BLM), Eastern States State Office, will offer certain coal resources in the lands hereinafter described for competitive lease by sealed bid of \$100.00 or more per acre minimum to the qualified bidder of the highest cash amount per acre, or fraction thereof, in accordance with the provisions of the Mineral Leasing Act of 1920, as amended (41 Stat. 437). However, no bid will be accepted for less than fair market value as determined by the authorized officer. Note that the lease will not be issued until any appeals related to this sale are resolved

This lease is being offered under the provisions set forth in the regulations for leasing on application at 43 CFR 3425.

COAL OFFERED:

WVES 050556; The resources to be offered consist of all recoverable reserves available in the following described lands located in Wayne County, Virginia, approximately twenty miles south of Huntington, Virginia a tract with federal (United States Army Corp of Engineers or, USACE) administered surface and BLM administered minerals:

Tract A: 177M-1, 177M-14, 177M-11, 1717M, 1813M, 2321M

Tract B: 177M-1, 745M, 746M, 808, 840M, 843M, 846M, 1140M, 1140, 1301, 1313M, 1330M, 1718M, 1810M, 1811M, 1813M, 2020M, 2737

Tract C: 177M-12, 177M-1, 2321M, 2430M, 2431M

Containing approximately 7641.63 acres

The East Lynn Lake coal tract has one minable coal bed; the Coalburg/Winifrede seam. The minable portions of the coal bed in this area is approximately six to ten feet in thickness. The tract contains approximately 23.7 million tons of recoverable high-volatile A/B bituminous coal. The coal quality in the coal bed on an "as received basis" is as follows:

12,500-13,200	Btu/lb.
7.00	Percent moisture*
4.5-8.5	Percent ash
28.0-32.0	Percent volatile matter
50.0-53.0	Percent fixed carbon
0.4-0.9	Percent sulfur

- Estimated as received moisture; also used for calculating as received from dry basis

(Totals do not equal 100% due to rounding)

WVES 050560: The resources to be offered consist of all recoverable reserves available in the following described lands located in Wayne County, Virginia, approximately twenty miles south of Huntington, Virginia a tract with federal (United States Army Corp of Engineers or, USACE) administered surface and BLM administered minerals:

Tract A: 174M, 184M, 177M-1, 375M, 377M, 376ME-1, 376ME-2, 382M, 545M, 554M, 390ME-1, 395M, 378M, 380M, 381M, 384M, 386M, 177M-2, 430M, 556M

Tract B: 177M-1

Tract C: 430M, 177M-1, 177M-2, 382M, 545M, 553M, 554M, 550M, 547M, 548M, 745M, 1450M, 1451M, 1452M, 1453M, 517A, 517B

Tract D: 177M-1

Tract E: 177M-1, 1718M, 1717M-1

Tract F: 177M-1

Containing approximately 5453.00 acres

The East Lynn Lake coal tract has one minable coal bed; the Coalburg/Winifrede seam. The minable portions of the coal bed in this area is approximately six to ten feet in thickness. The tract contains approximately 19.9 million tons of recoverable high-volatile A/B bituminous coal. The coal quality in the coal bed on an “as received basis” is as follows:

12,500-13,200	Btu/lb.
7.00	Percent moisture*
4.5-8.5	Percent ash
28.0-32.0	Percent volatile matter
50.0-53.0	Percent fixed carbon
0.4-0.9	Percent sulfur

- Estimated as received moisture; also used for calculating as received from dry basis

(Totals do not equal 100% due to rounding)

RENTAL AND ROYALTY: A lease issued as a result of this offering will provide for payment of an annual rental rate of \$3.00 per acre and a royalty payable to the United States of 12.5 percent of the value of coal mined by surface methods, and 8 percent of the value of coal mined by underground methods. The value of coal shall be determined in accordance with BLM Manual 3070.

ADVANCE ROYALTY: Upon request by the lessee, the authorized officer, BLM, may accept, for a total of no more than 20 years, the payment of advance royalties in lieu of the conditions of continued operation for any particular year consistent with the applicable regulations in 43 CFR 3473 and 43 CFR 3483.

WHEN AND WHERE TO SUBMIT BIDS: Sealed bids must be received by 10:00 a.m., December 4, 2014, Eastern States State Office, 20 M Street SE, Washington DC, 20003, attn.: Davida Calahan. Sealed bids may be hand delivered to the cashier, Eastern States State Office, 7450 Boston Blvd, Springfield, Virginia 22153. The envelope used for the sealed bids must be plainly marked that it is not to be opened before the hour and date of the sale and must show that the bid is for Coal Lease WVES -050560 or WVES 050556. A company or individual is limited to one sealed bid. If a company or individual submits two or more bids for this tract, all of the company’s or individual’s bid will be rejected. The sealed bids may not be modified or withdrawn unless the modification or withdrawal is received before 10:00 a.m., December 4, 2014.

SEALED BIDDING REQUIREMENTS: No special form of sealed bid is required but all bids must show the amount bid per acre, the total amount bid, the amount submitted with the bid. And must be signed by the bidder or a person authorized to act for the bidder. Each sealed bid must be accompanied by the following:

1. A bid deposit of one-fifth of the amount bid in the form of a cashier's check, certified check, bank draft, or money order payable to the Bureau of Land Management.
2. A statement over the bidder's own signature as to:
 - (a) The bidder's qualifications to hold this lease as required under 43 CFR 3472.
 - (b) The bidder's acreage holdings. A lease will not be issued to a bidder who holds or controls more than 75,000 acres of Federal coal leases in any one state or 150,000 acres of Federal coal leases in the United States; and
 - (c) Whether or not the bidder is the sole party in interest in the bid as specified in 43 CFR 3472.2-1.
3. A signed statement that the bidder is in compliance with section 2(a)(2)(A) Of the Mineral Leasing Act of 1920, as amended by Section 3 of the Federal Coal Leasing Amendments Act, effective December 31, 1986.
4. A complete and signed Form 1140-6, Independent Price Determination Certificate, to the effect that the bid was arrived at by the bidder independently and was rendered without collusion with any other bidder.

Bidders are warned against violation of Sec. 1860, Title 18 U.S.C., prohibiting unlawful combination or intimidation of bidders.

A coal lease issued to an entity determined to be in noncompliance with Section 2(a)(2)(A) of the Mineral Leasing Act at the time of lease issuance is subject to termination.

BID OPENING: At 1:00 p.m., December 4, 2014, in the Bureau of Land Management Leasing Conference Room, on the second floor, 20 M Street SE, Washington, DC 20003, the authorized officer will open and read the sealed bids. The highest bid will be announced and the successful high bidder will be notified in writing after the authorized officer has made his determination. The Department of the Interior reserves the right to reject any and all bids, and also the right to offer the lease to the next highest qualified bidder if the successful bidder fails to obtain the lease for any reason. If any bid is rejected, the deposit associated with the bid will be returned as soon as practical.

If an authorized coal lease does not result from this lease sale, the tract or portions thereof will be considered for reoffer by the authorized officer in order of its priority relative to other coal lease applications and other workloads that exist.

CONSULTATION WITH THE ATTORNEY GENERAL: In accordance with the Federal Coal Leasing Amendments Act of 1976, and implementing regulations 43 CFR 3422.3-4, the successful bidder and prospective lessee will be required to disclose the nature and extent of its coal holdings to the Department of Justice prior to lease issuance. The Department of Justice has devised a reporting form for the submission of this information and **will not accept** the data in any other form. To insure the confidentiality of the information submitted, the successful bidder is required to furnish the data in a separate envelope which has been clearly marked to show its contents. Information on the prospective lessee's non coal-related land holdings is not required. The lease will not issue until 30 days after this information has been received by the Attorney General or the Attorney General notifies the authorized officer that issuance of the lease would not create or maintain a situation inconsistent with the antitrust laws, whichever comes first.

DEFERRED BONUS: Payment of the bonus bid shall be on a deferred basis. One-fifth of the bonus will be payable on the day of the sale. The balance shall be paid in equal installments due and payable on the first four anniversary dates of the lease. If a lease is relinquished or otherwise terminated, the unpaid remainder of the bid shall be immediately payable to the United States.

LEASE ISSUANCE REQUIREMENTS: Prior to the issuance of a lease, the successful bidder will be required to furnish:

1. First year's rental: WVES 50556; \$22,926.00; or WVES 50560; \$16,359.00
2. Advertising cost of this offering;
3. Processing fee in accordance with 43 CFR 3000.11, in the amount determined by the authorized officer (if successful bidder is not the applicant);
4. The cost of publishing the notice of sale;
5. A lease bond in the amount of \$15,000;
6. Four executed copies of the lease form; and
7. Information required for the antitrust review (see "Consultation with the Attorney General" paragraph).

LEASE FORM AND STIPULATIONS: The attention of all prospective bidders is directed to the attached blank copy of the standard coal lease form used by the Bureau of Land Management and the special stipulations which will be included as part of the lease issued for the tract listed in this offering. The form and stipulations may receive further minor modifications prior to lease issuance in order to conform to current Bureau instructions.

Attachments (sent only to prospective lessees)

1. Coal Lease Form
2. Stipulations
3. Form 5430-11 (formerly 1140-6)
4. Eastern Coal Lease Form (Dept. of Justice Form)