



United States Department of the Interior



BUREAU OF LAND MANAGEMENT
Montana/Dakotas State Office
5001 Southgate Drive
Billings, MT 59101
<https://www.blm.gov/montana-dakotas>

DETAILED STATEMENT OF COAL LEASE SALE Powder River Basin Coal Production Region Navajo Transitional Energy Company, Spring Creek Mine

MTM 105485-01

At 10:00 a.m., Monday, October 6, 2025, in the Main Conference Room of the BLM Montana-Dakotas State Office, 5001 Southgate Drive, Billings, Montana, an authorized officer of the Bureau of Land Management, Montana State Office, will offer certain coal resources described below for competitive lease by sealed bid in accordance with the provisions of the Mineral Leasing Act of 1920 (30 U.S.C. 181 et seq.), as amended.

The subject tracts are being offered for competitive sale. If more than one bid is received for the lease tracts, all envelopes will be opened and the high bid announced. If the subject tracts receive a single bid, then the bid for the tracts will be opened at 10:00 a.m. Monday, October 6, 2025, in the Main Conference Room, BLM Montana-Dakotas State Office, at the address cited above.

The tracts will be leased to the qualified bidder of the highest cash amount provided that the high bid equals or exceeds the fair market value of the tracts. The minimum bid for these tracts is \$100 per acres, or fraction thereof. No bid that is less than \$100 per acres, or fraction thereof, will be considered. The minimum bid is not intended to represent fair market value. The fair market value of these tracts will be determined by the authorized officer after the sale.

All tracts in this lease offering contain split estate lands. Regulations at 43 CFR §3427 set out the protection that shall be afforded qualified surface owners of split estate lands (as defined at 43 CFR 3400.0-5).

COAL OFFERED: The subject tracts are located in Big Horn County, Montana, approximately sixteen miles north of Decker, MT. The Federal coal is intermingled with State, private, and previously leased federal coal.

Principal Meridian, Montana

T. 8 S., R. 39 E.,
sec. 35, E1/2.

T. 9 S., R. 39 E.,
sec. 1, lots 1 thru 4, W1/2NE1/4, NW1/4, E1/2NW1/4SE1/4, and E1/2SW1/4SE1/4;
sec. 2, NE1/4.

T. 9 S., R. 40 E.,
sec. 6 lots 5 thru 7, S1/2SE1/4NW1/4, E1/2SW1/4, S1/2NE1/4SE1/4, NW1/4NW1/4SE1/4,
S1/2NW1/4SE1/4, and S1/2SE1/4.

The areas described aggregate 1,262.57 acres, according to the official plats of the surveys of the said lands, on file with the BLM.

The coal in the tracts have two economic coal beds, which are designated as the Anderson coal bed and the Dietz coal bed. The Anderson bed overlies the Dietz bed with a thin parting which is taken with the coal. The Dietz bed is separated into the Upper Dietz and Lower Dietz beds, the parting of which ranges from inches to feet. The parting between the upper and lower Dietz beds increases in thickness to the east and is removed as waste during the mining process. The Anderson/Dietz beds are present in all four tracts and have a combined average thickness of 77 feet. The tracts are located adjacent to Spring Creek's current mining operation and contain approximately 167.5 million tons of mineable coal. The composite coal quality of the Anderson/Dietz coal beds and splits are as follows: Heat Content (Btu/lb.) 9,486 Btu/lb.; Moisture 24.8 percent; Ash Content 3.6 percent, Sulfur Content 0.31 percent.

SURFACE OWNER CONSENT INFORMATION: The entirety of all tracts is split-estate, where the surface is privately owned, and the coal is Federally owned. Navajo Transitional Energy Company is the surface owner of the proposed tracts. As such, consents granted by the surface owners are not required to be filed with the Bureau of Land Management, as the applicant and the surface owner are one in the same entity. The situation of the applicant being the surface owner meet the criteria of 'consent' as set forth by the regulations.

RENT AND ROYALTY: A lease issued as a result of this offering will provide for payment of an annual rental of \$3.00 per acre or fraction thereof per year and a royalty payable to the United States pursuant to Section 7(a) of the Mineral Leasing Act (30 U.S.C. 207(a)). The value of coal shall be determined in accordance with 30 CFR § 203.200.

ADVANCE ROYALTY: Upon request by the lessee, the State Director may accept for a total of not more than 10 years, the payment of advance royalties in lieu of the condition of continued operation for any particular year. Any payment of advance royalties in lieu of continued operation shall be pursuant to an agreement, signed by the lessee and the authorized officer,

which shall be made a part of this lease. The agreement shall include a schedule of payments and shall be subject to the advance royalty conditions set forth in the-applicable regulations in 30 CFR § 203.200. The advance royalty shall be based on a percent as specified in the lease of the value of a minimum number of tons which shall be determined on a schedule sufficient to exhaust the leased reserves in 40 years from the date of approval of the mining plan.

WHEN AND WHERE TO SUBMIT BIDS: Sealed bids must be submitted on or before 4:30 p.m., Friday, October 3, 2025, to the Cashier, Montana State Office, 5001 Southgate Drive Billings, Montana 59101. The bids should be sent by certified mail, return receipt, or be hand delivered. The Cashier will issue a receipt for each hand-delivered bid. Sealed bids received after the hour specified will not be considered. The envelope used for the sealed bid should be plainly marked that it is not to be opened before the hour and date of the sale and should show that the bid is for Coal Lease MTM 105485-01. Sealed bids may not be modified or withdrawn unless the modifications or withdrawals are received before 4:30p.m., Friday, October 3, 2025.

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 person authorized to act for the bidder. The total amount bid, not a per acre amount, will be the basis for determining the bonus bid. Each sealed bid must be accompanied by the following:

1. A bid deposit of one-fifth of the amount bid (figured on 1,262.57 acres) in cash, cashier's check, certified check, bank draft, money order or personal check payable to the order of the Department of the Interior – Bureau of Land Management.
2. A statement over the bidder's own signature with respect to qualification and interests held, similar to that prescribed in 43 CFR § 3472 and a statement as to the sole party in interest as specified in 43 CFR § 3472.2-1. A lease will not be issued to a bidder who holds or controls more than 46,080 acres of Federal coal leases in any one state or 100,000 acres of Federal coal leases in the United States.
3. A completed and signed 5340-11, 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 ward against violation of Sec. 1860, Title 18 U.S.C., prohibiting unlawful combination or intimidation of bidders.

SEALED BID OPENING: At 10:00 a.m., Monday, October 6, 2025, in the Main Conference Room, BLM Montana-Dakotas State Office, 5001 Southgate Drive, Billings, MT 59101, the authorized officer will open and read sealed bids.

If identical sealed bids are received for the same tract, the tying high bidders will be requested to submit follow-up sealed bids until a high bid is received. All tie-breaking sealed bids must be submitted within 15 minutes following the authorized officer's announcement at the sale that identical high bids have been received.

The apparent high bidder shall tender by certified check, cashier's check, bank draft, money order, personal check or cash, at the close of bidding, the amount of one-fifth of the total increased bid.

The successful high bidder will be notified in writing of the acceptance or rejection of the bid after the fair market value 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 highest bidder fails to obtain the lease for any reason. If any bid is rejected, the deposit made on the day of the sale will be returned.

POST SALE TRANSFER/ ASSIGNMENT OF QUALIFIED SURFACE OWNER CONSENT: Qualified surface owner consents granted on or after August 4, 1977, covering lands within the tract must be transferable to the successful bidder, if other than the consent holder, in accordance with 43 CFR 3427.2(d)(1). The successful bidder, who has the responsibility to accomplish the transfer, will be allowed 90 days after written notification to complete the transfer of consent. If by the end of the 90-day transfer period, the successful bidder demonstrates that the consent has been acquired, or that a bona fide offer to purchase the consent from the current holder has been made in accordance with 43 CFR 3427.2(d)(1), a lease will be issued upon completion of all other lease issuance requirements. If, by the end of the 90-day transfer period, the successful bidder has neither acquired the consent by transfer nor made a bona fide offer to purchase the consent, the bid will be rejected, and the bid deposit will be forfeited to the United States.

Qualified surface owner consents granted before August 4, 1977, are not required to be transferable to the successful bidder within the meaning of 43 CFR 3427.2(d)(1). Although the holder of such a consent is required to disclose the purchase price, financial obligations, and terms and conditions of the consent, the holder is under no obligation to assign the consent to the successful bidder at any price. It shall be the responsibility of the successful bidder to negotiate acquisition of the consent by assignment from the current holder. The successful bidder will be allowed six months after written notification to acquire the consent. If, by the end of the six-month period, the successful bidder demonstrates that the consent has been acquired, a lease will be issued upon completion of the other lease issuance requirements. If, by the end of this six-month period, the successful bidder has not acquired the consent, the bid will be rejected, and the bid deposit will be returned to the bidder.

If a high bid is rejected for failure by the high bidder to meet the requirements described above for transfer or assignment of consents, the Bureau of Land Management retains the discretion to (1) offer the tract to the next highest qualified bidder; (2) reoffer the entire tract for competitive lease as soon as possible; or (3) redelineate the tract and reoffer the tract for lease in a subsequent round of regional activity planning in accordance with 43 CFR § 3420.

CONSULTATION WITH THE ATTORNEY GENERAL: In accordance with the Federal Coal

Leasing Amendments Act of 1976 and implementing regulations at 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 ensure 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 noncoal-related land holdings is not required. The lease will not be issued until 30 days after this information has been received by the Attorney General or the Attorney General notifies the authorized officer that issuance 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 and the unpaid remainder of the bonus 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 \$3,787.71
2. Payment of his proportionate share of the advertising cost of the sale notice
3. Lease bond in the amount of \$10,000. The bond will be reviewed when production begins and will be adjusted as required
4. Four executed copies of the coal lease form.
5. Information required for antitrust review (see "Consultation with the Attorney General" paragraph).

LEASE FORM AND STIPULATIONS: The attention of all prospective bidders is directed to the attached copy of the proposed coal lease and stipulations.

4 Attachments:

- 1 – ATR-139 Western Federal Coal Lease Form (Antitrust)
- 2 – Proposed Coal Lease
- 3 – Form 5430-11 (formerly 1140-6)
- 4 – Compliance Certificate