



**U.S. Department of the Interior  
Bureau of Land Management  
Eastern States  
7450 Boston Boulevard  
Springfield, Virginia 22153**



## *Press Release*

**For Release Immediately**

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### **Federal Government Leases Land in Alabama for Coal Exploration and Leasing**

One parcel of Federal land brought in a competitive bid of \$111.00 per acre for a total bid of \$320,568.00 on about 2,900 acres in Alabama. The Coal Lease Sale was conducted by the U.S. Department of the Interior's Bureau of Land Management (BLM) Eastern States on Thursday, September 30, 2004 in Springfield, VA.

The winning bid was made by Pittsburg & Midway Coal Mining, Inc. The sale attracted only one bidder, the company which submitted the application to lease. The tract is isolated within private coal holdings controlled by the applicant. Any other bidder would have to negotiate with the applicant to recover these reserves.

The presale estimate of value considered by the sales panel is based on comparable sales and the income approach to value and estimated the fair market value between \$45.57 to \$117.17 per acre depending on the mining assumptions.

Coal leasing is in accordance with 43 CFR 3420 and 3430. Applications are filed with the Bureau of Land Management (BLM) Eastern States office in Springfield, VA for adjudication prior to forwarding to the Jackson District. Income from coal leasing occurs from three primary methods, royalty for produced coal, bonus bids at the time of lease sale, and rental prior to production. Generally, royalty from Federal coal mined underground is 8 percent of the gross sales price and 12.5 percent for surface operations. Royalty income to the Federal Government from Federal coal in Alabama and Kentucky is about \$765,000 per year, of which approximately 50 percent is distributed to the states.

The date for the next Coal Lease sale has yet to be determined. Visit our web site at [www.es.blm.gov](http://www.es.blm.gov) for more information about coal lease sales and other BLM programs.

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