

Eagle Butte coal sale nets \$180 million

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Friday, February 22, 2008 2:05 AM MST

Federal land managers this week approved a \$180.5 million bid for the Eagle Butte West coal tract north of Gillette.

Foundation Wyoming Land Co. was the winning bidder, offering 70.8 cents per ton for the 255-million-ton federal coal lease.

The Wyoming office of the Bureau of Land Management had rejected two bids on two separate coal leases in October and November for not meeting the agency's estimated fair market value.

Cordero Mining Co., a subsidiary of Rio Tinto Energy America, bid \$21,001,419 for the 54.7 million ton "North Maysdorf" tract, or just more than 38 cents per ton, according to the BLM.

In November, Cordero bid \$121,987,050, or just over 42 cents per ton, for the "South Maysdorf" coal tract, which included about 288 million tons on land 15 miles south of Gillette.

The highest successful bid for a federal coal tract in Wyoming came in 2005 when interest for the 327-million-ton-West Roundup lease brought a record bid of 97 cents per ton from Peabody Energy.

The 1,428 acre Eagle Butte West coal tract is located approximately four miles north of Gillette, and is crossed by U.S. Highway 14/16 along the eastern boundary. It is adjacent to Foundation Coal's Eagle Butte mine, which mined 25 million tons of coal in 2007, according to the Mine Safety and Health Administration.

Wyoming produced 451.3 million tons of coal in 2007, 41 percent of the U.S. coal supply. In fiscal year 2007, coal royalties of \$398 million were collected and shared equally between the federal government and the state of Wyoming.

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