

**STATE OF ALABAMA
DEPARTMENT OF CONSERVATION AND NATURAL RESOURCES
STATE LANDS DIVISION
INVITATION FOR BIDS FOR UNDERGROUND COAL MINING LEASE
ON CERTAIN STATE LANDS IN
JEFFERSON COUNTY, ALABAMA**

Notice is hereby given pursuant to Code of Alabama, 1975, Section 9-15-38 et seq. that sealed bids for the taking and removing of coal by underground long wall mining operations ("Mining") on certain acreage located in Jefferson County, Alabama, will be received until **JULY 16, 2024, 4:00 P.M.**, as detailed below, by the Department of Conservation and Natural Resources ("DCNR") State Lands Division, on behalf of the Commissioner of DCNR.

The acreage offered for Mining is more particularly described as follows:

The North ½ of the Northwest ¼ and the Southwest ¼ of the Northwest ¼ of Township 18 South, Range 6 West, Section 20, located in Jefferson County, AL, containing 120 acres, more or less.

The estimated recoverable reserve quantity is 1,661,778 short tons of coal. All bidders should satisfy themselves as to the recoverable quantity of coal offered. DCNR makes no guarantee as to quantity of or ability to recover coal.

The State does not warrant nor guarantee title to lands herein advertised and all bidders should satisfy themselves as to the State's title and the accuracy of the acreage offered.

Bids submitted for the tract must state the following:

Total AMOUNT OF MINIMUM GUARANTEED ROYALTY to be paid to the State of Alabama over the primary ten (10) years term of the lease (recoverable from actual production royalties).

Bids offering less than \$6,647,112 will not be considered.

Each **bid submitted** must be accompanied by a bid deposit in the form of a certified or cashier's check (no personal or business check) in the amount of **THREE HUNDRED THIRTY-TWO THOUSAND THREE HUNDRED FIFTY-FIVE AND 60/100 DOLLARS (\$332,355.60)** made payable to the State Lands Division, which payment shall be applied to the amount of the first annual advance royalty payment. Any bid submitted without such check will not be considered. Unsuccessful bidders' deposits will be returned as soon as practicable.

Each bid must be submitted in a sealed envelope clearly marked on the outside "**SEALED BID FOR COAL MINING LEASE JEFFERSON COUNTY – DO NOT OPEN**" and delivered to State Lands Division, Room 464, Folsom Administration Building, 64 North Union Street, Montgomery, Alabama 36130-1901 (36104 IF DELIVERED BY OVERNIGHT COURIER).

NO BID SHALL BE RECEIVED FOR ANY REASON ANY TIME AFTER JULY 16, 2024, 4:00 P.M. IT SHALL BE THE SOLE RESPONSIBILITY OF THE BIDDER TO ENSURE ACTUAL RECEIPT OF THE BID BY THE STATE LANDS DIVISION PRIOR TO THE ADVERTISED DEADLINE. All bids received by this deadline will be publicly opened and read on the following day, July 17, 2024, 2:00 P.M. in the office of the DCNR State Lands Division, Room 458E, Folsom Administrative Building, 64 North Union Street, Montgomery, Alabama 36130-1901. If ADA accommodations are needed as to the bid opening, please contact Delicia Baker at (334) 242-3484. Requests should be made as soon as possible, but at least seven days prior to the bid opening date.

Any lease awarded shall be on DCNR's underground mining coal lease form, and shall include, but not be limited to, provisions related to the following terms:

1. Royalty is fixed at 8% of Gross Sales Price or four dollars (\$4.00) for each ton (2,000 pounds) of coal, whichever is greater, for all coal mined and sold.
2. Annual advance royalty payments of 10% the successful total minimum guaranteed royalty bid are due on or before the anniversary date of the lease with the first payment (minus bid deposit) being due at the time of contract execution.
3. At the end of the tenth contract year, on the lease anniversary date, Lessee may make an annual payment of \$5,000 to maintain an underground easement for the right to use the mined passageways for haulage from this and other properties for a fifteen-year term thereafter.
4. Lessee will be required to post security for performance at the time of contract execution in the amount of 90% of the successful total minimum guaranteed royalty bid. The required security may be in the form of a certified check, an irrevocable letter of credit with a bank approved by the Commissioner, or a surety bond with a company authorized to do business within the State of Alabama.
5. Failure of successful bidder(s) to commence mining by the end of the fourth year on leased

acreage constitutes grounds for termination of the lease and forfeiture of advance royalty payments.

6. Coal is to be removed by underground long wall mining methods.
7. In addition to ongoing reporting requirements, a Proposed Mining Plan must be submitted and approved prior to Lessee commencing Mining.
8. Lessee must possess a valid Alabama Coal Mining License and be licensed to do business in the State of Alabama.
9. A contract administration fee of \$250.00 shall be due annually to the State Lands Division upon each anniversary date of the Lease.

A successful bidder must execute and return the lease within 15 days following the date of receipt; otherwise, the award may be deemed to have been withdrawn, and the bid deposit forfeited.

All applicable laws of the State of Alabama shall govern this lease whether or not included in this Invitation.

DCNR Commissioner reserves the right to withdraw this Invitation prior to issuance of a written acceptance of a bid, or to reject any and all bids for this tract. No bid will be accepted and no lease will be awarded unless: (1) the bidder has complied with all requirements of this Invitation; and (2) the amount of the bid has been determined to be adequate by the Commissioner.

Specification of a minimum bid amount to be considered does not suggest acceptance of any bid which may equal or exceed that amount. The successful bidder (if any) shall be required to pay costs of advertising this Invitation.

DCNR does not discriminate on the basis of race, color, religion, age, sex, national origin, disability, pregnancy, genetic information or veteran status in its hiring or employment practices nor in admission to, access to, or operations of its programs, services, or activities.

Unless specifically provided otherwise in subsequent corrective advertisement, the terms and conditions as stated in this Invitation shall be controlling over this transaction.

Anyone desiring a copy of DCNR's lease form may contact the State Lands Division at (334) 242-3484 or go to <http://www.outdooralabama.com/public-notices/mineral-sales/>.



Christopher M. Blankenship
Commissioner
Department of Conservation
and Natural Resources

Date: 6-17-24

APPROVED LEGAL
NOC