

FOR IMMEDIATE RELEASE: 9/13/2004

State of Utah School & Institutional
TRUST LANDS ADMINISTRATION
675 East 500 South, Suite 500
Salt Lake City, Utah 84102

**LEASING MUDDY COAL TRACT
SUMMARY OF RESULTS**

On September 13, 2004, the State of Utah School and Institutional Trust Lands Administration held a competitive coal lease sale of the SITLA Muddy Coal Tract. The tract is one of six federal coal tracts conveyed to the State of Utah in the 1998 Utah Schools and Federal Land Exchange. It is located adjacent to the SUFCO Coal Mine in Sevier County and contains an estimated minimum of 13.5 million tons of recoverable coal.

A bid was received, submitted jointly by Ark Land Company and Arch Coal Company (parent company of Canyon Fuel Company, LLC). Trust Lands negotiated the bid to the amount of \$4,320,00.00, or 32 cents per recoverable ton. The federal government is the recipient of the bonus payment but one half of the bonus will be revenue-shared back to the State of Utah under provisions of the federal Mineral Leasing Act. The School Trust Lands Administration will receive royalty revenues from a pre-determined coal tonnage to be mined from the tract by Canyon Fuel Company, LLC, as part of the SUFCO coal mine in the near future.

The School and Institutional Trust Lands Administration is an independent state agency which manages 3.5 million acres of Utah trust lands exclusively for the benefit of Utah's schools and other public institutions.

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