SCHEDULE 1 -- COAL WASHING SUMMARY SHEET

Customer Name and Code: ____________________________ / ____________________________
Address: ________________________________________________________________________
City _____________________ State ________ Zip __________

Lease Number: ____________________________________________
Mine Name: _______________________________________________
Facility Name/ID Number: _________________________________
Product: _________________________________________________

Period: 20 to 20

<table>
<thead>
<tr>
<th>(a) Plant Depreciation</th>
<th>(b) Undepreciated Capital Investment at Beginning-of-Period</th>
<th>(c) Rate of Return</th>
<th>(d) Return on Undepreciated Capital Investment</th>
<th>(e) Depreciation Plus Return on Capital Investment</th>
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Operating, Maintenance, and Overhead Expenses
(From Schedule 1A, Line 18)

Total Non-Arm's-Length Plant Expenses

Total Plant Output (Including non-Federal coal washed by lessee)

Non-Arm's-Length Washing Cost Per Ton Clean Coal

Arm's-Length washing Cost per Ton Clean Coal

Total Allowance Rate per Ton Clean Coal

Total Quantity of Lease Coal Washed During the Reporting Period and Sold.

Lease Ad Valorem Royalty Rate

Royalty Quantity of Coal Washed and Sold During the Reporting Period

Royalty Washing Allowance Amount

Royalty Washing Allowance Amount for Coal Washed During the Prior Period and Sold During the Report Period = Allowance Rate for Deferred Tons (___________ Tons) times Lease Tons of Deferred Coal Sold During the Reporting Period (___________ Tons) Times the lease Ad Valorem Royalty rate (_________%).

Total Royalty Washing Allowance Amount

$_____________
INSTRUCTIONS FOR COMPLETING FORM MMS-4292, SCHEDULE 1

Use Schedule 1 to accumulate washing costs and compute the royalty allowance rate and amount for the washing facility. If you wash coal under arm’s length conditions, you must complete only Schedule 1 (do not complete Schedules 1A or 1B).

Complete a separate Schedule 1 for each line reported on page 1 of Form MMS-4292.

You must submit a clear schematic diagram, on no larger than 8-1/2 x 11-inch paper, illustrating the wash plant, including major pieces of equipment and flow lines.

Customer Name, Code, and Address – Enter the same company name, code, and address as used on Page 1 of the Form MMS-4292, Coal Washing Allowance Report.

Lease and Mine Information – Enter the same lease number and mine name combination as used on Page 1 of the Form MMS-4292. Enter a facility name or number unique to the washing facility. Enter the same product as entered on Page 1. Enter the same reporting period as shown in item 5 on Page 1.

Complete lines 1 through 5a only if you wash your coal under a non-arm’s length or no-contract arrangement.

1. Depreciation and Capital Investment – Complete this line only if you wash coal under non-arm’s length or no contract conditions.
   (a) Plant Depreciation – Use the figure calculated from column 6 on Schedule 1B.
   (b) Undepreciated Capital Investment at Beginning-of-Period -- Use the figure calculated from column 5 on Schedule 1B.
   (c) Rate of Return – The rate of return is the industrial rate associated with Standard and Poor’s BBB rating. Enter the monthly average rate as published in Standard and Poor’s Bond Guide for the first month of the reporting period.
   (d) Return on Undepreciated Capital Investment – Multiply column b by column c.
   (e) Depreciation Plus Return on Capital Investment – Sum columns a and d.

2. Operating, Maintenance, and Overhead Expenses – Use the figure calculated from line 18 on Schedule 1A.

3. Total Non-Arm’s Length Plant Expenses – Sum lines 1 and 2.

4. Total Plant Output – Enter the washing plant’s total output in tons for the reporting period, including all non-Indian washed coal.

5. (a) Non-arm’s Length Washing Cost Per Ton Clean Coal – Divide line 3 by line 4, computing to 6 decimal places.

   (b) Arm’s Length Washing Cost Per Ton Clean Coal – Enter the washing cost rate as found in your arm’s length contract.

6. Total Allowance Rate Per Ton Clean Coal – Sum lines 5a and 5b.
7. **Total Quantity of Leased Coal Washed During the Reporting Period and Sold** – Enter the total tonnage of leased coal washed and sold during the reporting period.

8. **Lease Ad Valorem Royalty Rate** – Enter the ad valorem royalty rate found in the Indian lease terms.

9. **Royalty Quantity of Coal Washed and Sold During the Reporting Period** – Multiply line 7 by line 8.


11. **Royalty Washing Allowance Amount for Coal Washed During the Prior Period** – Multiply the lease tons of deferred coal sold during the current reporting period by the prior period royalty washing allowance amount and by the lease ad valorem royalty rate.

12. **Total Royalty Washing Allowance Amount** – Sum lines 10 and 11.