

Sweetwater 29
Specie File 21.

CORRESPONDENCE RE PROPOSED
EXCHANGE OF COAL LAND WITH THE
CENTRAL COAL & COKE COMPANY

February 17, 1923

to

~~March 18, 1925.~~

October, 1930.

The Union Pacific Coal Co.
Purchased from
Central Coal & Coke Co.

All Sec. 19

N¹/₂ Sec. 20

Twp. 20 N. R. 10 & 11.

Sweetwater County

Wyoming

for

\$213,951.33

in January, 1931.

Sec. 19 = 621.48 A.

N¹/₂ Sec. 20 = $\frac{320.00}{941.48 \text{ A}}$

@ \$227.25 per A =

\$213,951.33

Warranty Deed L.C. 13828
Audit No. 16965

THE UNION PACIFIC COAL COMPANY

RECEIVED

MAR 3 - 1931

GENERAL MANAGER

2-692

Rock Springs, Wyo., March 3, 1931

Mr. J. M. Shively, Land Commissioner,
Union Pacific Railroad Company,
Omaha, Nebraska.

Dear Sir:

Referring to your letter of January 30, 1931, File A-1735-A,
with which you sent me Warranty Deed L.C. 13628, from Central Coal &
Coke Company, conveying to The Union Pacific Coal Company, all of Sec.
19 and the West half of Section 20, all in Township 20 North, Range
104 West, Sweetwater County, Wyoming:

For your information, this Deed has been assigned Audit No.
16965.

Yours truly,

Frank Tallmire

Auditor.

CC-Mr. Eugene McMillan:
Mr. G. E. Bissonnet:
Mr. George B. Fryde:

MAIL
TO

Rock Springs - February 16th, 1931.

Mr. Eugene McAuliffe:

Our File No. 21 on exchange of lands between The Union Pacific Coal Company and the Central Coal & Coke Company, 1913-1915, referred to in your letter of February 13th, was received this morning.

Original Signed:
GEORGE B. PRYDE

Omaha, February 13, 1931.

Mr. G. B. Pryde:

Herewith your file No. 21 on exchange of lands between
The ^Union Pacific Coal Company and the Central Coal & Coke
Company, 1913-1915, received sometime ago by me.

Kindly acknowledge receipt.

Edmund McAniffe

A-1735-A

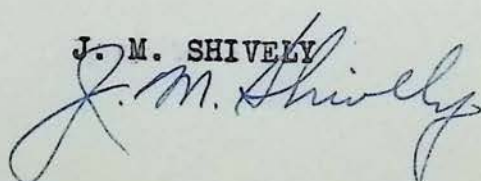
21

Omaha, January 30, 1931.

Mr. George B. Pryde:

Reference is made to my message of January 27th at Sharon Springs, Kansas, regarding warranty deed from Central Coal & Coke Company to The Union Pacific Coal Company, and partial release of mortgage. These documents were mailed to the County Clerk at Green River for record, January 21st. On January 27th I noticed in the Denver Post that the Central Coal & Coke Company was in the hands of Receivers, and I thought it advisable to have these papers filed for record at once. Some County Clerks will not file the papers until I remit the fees, and not being sure that these papers had been filed, I thought best to call to your attention. The papers have been returned to me and I note they were filed for record on January 24th. Thanking you for your trouble.

J. M. SHIVELY



CC - Mr. Eugene McAuliffe

A-1735-A

Omaha, January 30, 1931.

Mr. Frank Tallmire:

I enclose herewith the following documents:

Warranty Deed from Central Coal and Coke Company to The Union Pacific Coal Company, dated December 28, 1930, conveying all of Section 19, and the West half of Section 20, all in Township 20 North, Range 104 West, with resolution of Board of Directors of Central Coal and Coke Company attached.

Partial release of mortgage from First Union Trust and Savings Bank, as Trustee, to Central Coal and Coke Company, dated January 8, 1931, releasing the land described in above mentioned deed from force and effect of first mortgage deed of trust, and attached thereto extract from By-Laws of First Union Trust and Savings Bank.

The above documents were sent to me with Mr. McAuliffe's letter of January 17th with request that I arrange to have them recorded and then forward to you for file. The deed and release were filed for record in Sweetwater County January 24, 1931.

I also enclose abstracts of title with copy of my letter to Mr. Loomis, copy of Judge Lacey's letter to Mr. Loomis and copy of Mr. Loomis' letter to me.

For your information I also give you copy of my letter of December 26, 1930 to Mr. Keith and copy of his letter to me of date December 29th.

J. M. SHIVELY

CC - Mr. Eugene McAuliffe

Mr. George B. Pryde ✓

(COPY)

CENTRAL COAL & COKE COMPANY

W. Keith,
Agent

Kansas City, Mo.

December 29, 1930

J.M. Shively, Esq., Land Commissioner,
The Union Pacific Coal Company,
1416 Dodge Street,
Omaha, Nebraska.

Dear Mr. Shively:

Referring further to your letter of December 26th, in regard to the purchase by The Union Pacific Coal Company of Section 19 and the West $\frac{1}{2}$ of Section 20, Sweetwater County, Wyoming:

1. You are correct in assuming that the abstractor in showing 1930 taxes paid, referred to taxes levied against this property for the year 1930; that no part of this land is covered by lease; and that The Union Pacific Coal Company will be given full and complete possession on payment of the purchase price and delivery of the deed.

2. As this Company is desirous that this transaction be closed at the earliest possible date, it will be an accommodation to us, and a saving of time, to have the transaction closed in Chicago by your payment there of the purchase price, and upon such payment receiving the release from the mortgage and the deed from this Company. To this end:

(a) The Company has executed the original of the deed enclosed in your letter of December 26 without change, the deed being dated December 29, 1930, and executed and acknowledged as follows:

December 29, 1930

"IN WITNESS WHEREOF, the grantor, CENTRAL COAL AND COKE COMPANY, hath caused these presents to be sealed with its corporate seal, and to be signed by its xxxxxx President and attested by its Secretary, this 29th day of December, A. D. 1930.

CENTRAL COAL AND COKE COMPANY

By Chas. S. Keith,
President.

In presence of:

J. A. Black.

Corporate Seal

Attest:

J. E. Broughal.
Secretary.

STATE OF MISSOURI.COUNTY OF JACKSON

} ss.

On this 29th day of December, 1930, before me appeared Chas. S. Keith to me personally known, who, being by me duly sworn, did say that he is the xxxxxx President of CENTRAL COAL AND COKE COMPANY and that the seal affixed to said instrument is the corporate seal of said corporation and that said instrument was signed and sealed in behalf of said corporation by authority of its Board of Directors, and said Chas. S. Keith acknowledged said instrument to be the free act and deed of said corporation.

My commission expires January 7, 1932.

Harriett P. McGain.
Notary Public.

Seal.

(COPY)

B. -3-

December 29, 1930

The original deed we are today sending to First Union Trust and Savings Bank, 33 South Clark Street, Chicago, Illinois, the Trustee which is authorized to execute releases under our first mortgage.

(b) We have prepared and forwarded to the Trustee a form of release covering the premises, and enclose a carbon copy of this release herewith. This release follows the form heretofore always used in similar transactions involving property in the State of Wyoming.

(c) We are today writing the Trustee, requesting it to deliver to the Union Pacific Coal Company, or to its order, the original deed herein referred to, and the original release duly executed by the Trustee, upon receipt of the purchase price.

3. Will you kindly cause to be delivered to "First Union Trust and Savings Bank", 33 South Clark Street, Chicago, Illinois, the purchase price of this property, to-wit, \$213,951.33, in exchange for said original deed and said original release?

Your cooperation in working the matter out in this way will considerably expedite matters to our benefit, and will be greatly appreciated.

Yours truly,

(Sgd)

Chas. S. Keith,
President.

(COPY)

A-1735-A

December 26, 1930

Mr. Chas. S. Keith, President,
Central Coal & Coke Company,
Keith & Perry Building,
Kansas City, Missouri.

Dear Mr. Keith:

Referring to your letter of November 28th,
file 8895, with which you sent me abstracts of title and form
of warranty deed.

The titles have been approved by our Legal
Department subject to mortgage deed to First Trust and Savings
Bank, et al. The abstracts show 1930 taxes paid. I assume the
abstractor refers to taxes levied against the land for the year
1930. The lands are to be released from the mortgage and I
presume your attorney has prepared the partial release,
which release, properly executed by all mortgagees, will be
delivered with the deed to The Union Pacific Coal Company. The
abstracts show no leases of record, and I assume that the land
nor any portion thereof is covered by lease and that The Union
Pacific Coal Company will be given full and complete possession
on payment of the purchase price and delivery of the deed.

I submitted the form of warranty deed, which
you sent me, to our General Attorney and he has prepared a deed
which I enclose together with copy for your use. When executed
deed and partial release of mortgage are ready for delivery,
kindly advise.

Encs.

CC - Mr. Eugene McAuliffe.

Very truly yours,
Original Signed
J.M. SHIVELY

(COPY)

Omaha, Nebr. December 10, 1930

Mr. J. M. Shively:

Referring to yours of December 2nd, in regard to property in Section 19 and West Half of Section 20, Township 20 North, Range 104 West, Sweetwater County, Wyoming, which is being purchased by The Union Pacific Coal Company from the Central Coal & Coke Company:

I return abstracts and form of deed together with Judge Lacey's opinion of December 5th and certificate of Clerk of District Court of the United States, District of Wyoming, as to suits, judgements and liens. You will note release of mortgage, mentioned in Judge Lacey's letter, will be required. I also enclose copy of statutory form of Wyoming acknowledgement.

(Sgd) N. H. Loomis
(D)

DCD-G

(COPY)

Cheyenne, Wyo. Dec. 5th, 1930

Mr. N.H. Loomis,
General Solicitor,
Omaha, Nebraska

Dear Sir:

Herewith the files and the abstracts for Sec. 19 and the West-half of Section 20, Township 20 North, Range 104 West, Sweetwater County, Wyoming, which you sent us with yours of December 4th.

On the facts as shown in these abstracts the title to the lands in question is in the Central Coal and Coke Company, with an easement for the construction and maintenance of a transmission line across Section 19 in favor of the Union Pacific Coal Company granted June 28, 1918, and filed June 19, 1919, and also subject to a mortgage given by the Central Coal and Coke Company to the First Trust and Savings Bank, the Michigan Trust Company, Fidelity National Bank and Trust Company, and Melvin A. Traylor, Trustees, to secure seven million dollars of bonds.

You will note that we have had the certificates of the Clerk of the United States District Court here attached showing there are no judgments, liens, etc. at that office.

Yours very truly,

(Sgd) John W. Lacey

JWL-T

Omaha, December 2, 1930.

Mr. N. H. Loomis:

I enclose copy of Mr Keith's letter of November 28th, with abstracts of title, and copy of proposed warranty deed to which he refers.

In the deed reference is made to an easement dated July 1, 1922, which is not shown on abstract of title. I think you will find the Certificate of Acknowledgment is not in form as provided by the Wyoming Statute.

There should be attached to the abstracts Certificates of the Clerk of the United States District Court for the District of Wyoming, as to judgments and suits pending. If the abstracts are to be examined by Mr. Lacey, I am sure he will be glad to secure the certificates. If not, and you will so advise I will secure Certificates of the Clerk of the United States District Court. If the Title Examiner should deem it necessary to make further search of the county records I will be glad to have this done.

The abstracts show no leases of any kind covering the lands in question. Mr Pryde may be able to advise as to whether the lands, or any portion of the same are occupied. If there are any occupants we should be advised as to whether there are any leases in force, or

rights claimed by such occupants.

With the return of all enclosures, will you kindly give me your opinion in duplicate.

J. M. SHIVELY

CC - Mr. Eugene McAuliffe

SYMBOL	X	CLASS OF SERVICE REQUIRED		Indicate by X in proper line the class of service required. Do not specify preferred service if other service will answer the purpose.
Px		Preferred	Immediate delivery	
Dx		Day	Delivery during day	
Nx		Night	Delivery by next morning	

Rock Springs - January 27, 1931

J. M. Shively
Omaha

S-1 County Clerk, Green River, advises Warrant deed and release recorded and notification sent to your office in Omaha. B-97.

George B. Pryde.

UNION PACIFIC SYSTEM

AM	SYMBOL	X	CLASS OF SERVICE REQUIRED		Indicate by X in the class of service required. Do not specify preferred service if other service will answer the purpose.
	Px		Preferred	Immediate delivery	
	Dx		Day	Delivery during day	
M	Nx		Night	Delivery by next morning	

MS K Rush

Sharon Springs 1201 PM Jan 27, 1931

GBP Rocksprings

Warranty deed to coal Company and release of mortgage mailed county clerk Greenriver last week for record Please arrange to have filed at once. S-1

JM Shively 107 PM


Forced
115 PM

Rock Springs - January 12, 1931

Mr. Frank Tallmire:

Herewith letter from Mr. McAuliffe advising that the purchase of the land by The Union Pacific Coal Company from the Central Coal and Coke Company, has been completed, the voucher in the sum of \$213,951.33 being paid to the First Union Trust and Savings Bank at Chicago, by Mr. Bennowitz, he receiving the deed and release.

Original Signed:
GEORGE B. PRYDE



A.
2128
941.48

RECEIVED
JAN 12 1931
GENERAL MANAGER

Omaha - January 10, 1931.

21

Mr. G. B. Pryde:

Referring to the purchase of land by the Union
Pacific Coal Company from the Central Coal and Coke Company:

This transaction was completed in Chicago, Thursday,
January 8th, by the delivery by Mr. J. A. Bennewitz, General Attorney,
of the voucher for \$213,951.33, to the First Union Trust and Savings
Bank at Chicago, Mr. Bennewitz receiving from them the Deed and
Release.

227.24 Release

S. E. Swann
How much more?
EJB

Eugene Eric Ancliffe

941.48 A.

21

Rock Springs - October 30, 1939

Mr. Eugene McAniff:

Your M-63: I wired you today according to the
attached confirmation.

Original Signed:
GEORGE B. PRYDE

✓

SYMBOL	X	CLASS OF SERVICE REQUIRED		Indicate by X in proper line the class of service required. Do not specify preferred service if other service will answer the purpose.
Px		Preferred	Immediate delivery	
Dx		Day	Delivery during day	
Nx		Night	Delivery by next morning	

Eugene McAlliffe --- Omaha

Rock Springs - October 30, 1930

15-63. My purchased Nineteen Eighteen, Section Eight--Twenty--One Hundred Four, West Half valued at Three Hundred Nineteen Dollars Twenty Five Cents per acre, sale price per acre entire section Two Hundred Seventeen Dollars Fifty Seven Cents, east half of section partly non coal bearing. Maxwell purchased Nineteen Eighteen East Half of west half Section Thirty Four--Twenty One--One Hundred Four, ~~and~~ to Hogenath Coal Company, later purchased by Union Pacific Coal Company One Hundred Sixty acres at Four Hundred Fifty Six Dollars Twenty Five Cents per acre. Frontier Coal Company purchased Nineteen Eighteen east half of north west quarter Section Twenty--Twenty One--One Hundred Two, coal reserves only, Eighty acres at Three Hundred Thirty Dollars per acre. Superior-Rock Springs Fuel Company purchased Nineteen Seventeen, Northeast quarter Section Twenty--Twenty One--One Hundred Two, One Hundred Sixty acres at Three Hundred Sixty Six Dollars Twenty Five Cents per acre. Rock Springs Fuel Company purchased Nineteen Seventeen North Half Northeast quarter of Section Twenty Eight--Twenty One--One Hundred Two, Eighty acres, coal reserves only, Three Hundred Twelve Dollars Fifty Cents per acre. All purchases above from United States Government. B-441.

G. B. Fryde.

UNION PACIFIC SYSTEM

C.S.
8-30-5000M

AM	SYMBOL	X	CLASS OF SERVICE REQUIRED		Indicate by X in proper line the class of service required. Do not specify preferred service if other service will answer the purpose.
	Px		Preferred	Immediate delivery	
	Dx		Day	Delivery during day	
M	Nx		Night	Delivery by next morning	

GR WX X Omaha 348PM 29

Dupliowte

GBP Rock Springs

wire me not later than 10 am tomorrow price per acre and acreage any mineral land sales vicinity Rock Springs made recent years approximate price asked for reliance tract by central company have in mind purchase from Mr Hay and central company purchase from Megeath M-63

Eugene McAuliffe 432PM

Rock Springs - October 28, 1930

Mr. Eugene McMilliffe:

Herewith confirmation of telegram in answer to your
12-58, which I wired to you today.

With regard to question A-, it is very difficult to say
just how the \$18,930.00 was arrived at for Section 19, by the
Railroad to the Coal Company, as you have all my files on the sub-
ject, but this probably was an arbitrary valuation arrived at on
account of this being an intercompany transaction, and had no
relation to actual valuation of coal land at that time, because
in 1912 the Eden Coal Company purchased Section 12-19-105 for more
than \$250,000.00.

With regard to question C-, Mr. Swan's figures, which
are in the light of better information he has on figuring reserves,
show a total estimated production from Section 30 of mined and un-
mined coal of 10,000,000 tons, all seams. Mr. Swan's higher es-
timate is on account of the better information he has for figuring
tonnage from this section at the present time. At the time Mr.
Hewley made the estimate he had only the mine workings and some
drill holes in Section 31, with no mine workings on Section 30,
on which to base his estimate.

Original Signed:
GEORGE B. PRYDE

SYMBOL	X	CLASS OF SERVICE REQUIRED		Indicate by X in proper line the class of service required. Do not specify preferred service if other service will answer the purpose.
Px		Preferred	Immediate delivery	
Dx		Day	Delivery during day	
M Nx		Night	Delivery by next morning	

Rock Springs - October 28, 1930

Mr. Eugene McAuliffe
Omaha

B-58. A--The price figures Thirty Dollars per acre. Do not know how this value was arrived at as you have all my files which were sent you April Thirtieth this year. It was no doubt an arbitrary price agreed upon account of intercompany transaction.

B--Section Nineteen, Nine Million, One Hundred Thirty Thousand Tons
West Half Section Twenty, Two Million Six Hundred Fifty Thousand Tons.

C--Bannago recovered Section Thirty estimated Four Million Three Hundred Sixty Six Thousand Tons. Approximate remaining reserves same section, Six Million Five Hundred Thousand Tons all seams. Total mined and reserve higher than Mr. Manley's estimate because of additional information obtained as to reserves subsequent to Mr. Manley's estimate. Letter following. B-436.

G. B. Pryde.

UNION PACIFIC SYSTEM

C.S.
8-30-5000M

M	SYMBOL	X	CLASS OF SERVICE REQUIRED		Indicate by X in proper line the class of service required. Do not specify preferred service if other service will answer the purpose.
	Px		Preferred	Immediate delivery	
	Dx		Day	Delivery during day	
	Nx		Night	Delivery by next morning	

Omaha 1037 AM Oct 28, 1930

Rocksprings

- Re exchange coal land with central company wire me following information
- A- Advise how price \$ 18,930 was fixed for sale section 19 by railroad to coal company.
- B- How is Gwanna's estimate tonnage central company lands 11,780,000 tons divided between section 19 and west half section 20.
- C- Manley's estimate 9,630,000 tons in section 30, advise what approximate tonnage has been recovered from section 30 with approximate remaining reserve section 30.

M-58

EMCA 1047 AM

Final
1138 am

Rock Springs - April 16, 1930

Mr. George B. Pryde:

With the return of Mr. J. A. Sargent's letter of April 1st, 1930 to Mr. McAuliffe relative to estimated workable coal on section 19 and W $\frac{1}{2}$ Sec. 20 - T. 20 N. - R. 104 W., owned by the Central Coal and Coke Company, wish to say I have made a careful analysis of my previous estimate of recoverable coal on this land, and have used a different set of engineer's than on the original estimate and have arrived at the following conclusions:

(1) Coal under five feet has been assumed as economically unworkable, at the present time in this field.

NO. 5 SEAM

No. 5 Seam has not proved workable over any considerable area in this field due to irregularity in cleanness of seam and the slaty nature of the coal and was not taken into consideration in our first estimate.

It is barely possible that about 100 acres of No. 5 Seam might be workable, having an average thickness of 7 feet and which would equal 700,000 tons.

NO. 3 SEAM

No. 3 Seam outcrop badly burned across Sec. 19 indicating a considerable area adjacent to the outcrop to be unworkable.

Diamond Drill sections and adjacent outcrop prospecting indicate average workable height will not be over 7' 6" on the 400 acres considered workable.

We believe the Central Coal and Coke Company has misinterpreted the drill log on their diamond drill hole No. 5, the first seam being No. 5 instead of No. 3 as shown which changes the sections of all seams shown.

Our original estimate of 3,000,000 tons seems to be about right.

NO. 1 SEAM

Outcrop badly burned across Sections 19 and 20 and workings in Reliance No. 1 Mine at south boundary of Sec. 19 indicate a considerable area of burned coal on Sections 19 and 20. Reliance No. 1 Mine workings also indicate a considerable area in SW $\frac{1}{4}$ Sec. 19 badly split and unworkable.

Prospect on No. 1 Seam near north line of Section 20 and Union Pacific Coal Company drill hole No. 64 indicate a large portion of NE $\frac{1}{4}$ Sec. 19 is unworkable with no drill hole to prove otherwise. Central Company's No. 5 and No. 6 indicate a considerable area in W $\frac{1}{2}$ Sec. 19 unworkable. The Union Pacific Coal Company's drill hole No. 65 in NW $\frac{1}{4}$ Sec. 19 did not reach this seam. Our original estimate of 1,540,000 tons seems to cover all workable coal on this seam.

NO. 7 1/2 SEAM

This seam has been only partially drilled and there is insufficient evidence to properly estimate workable tonnage. 240 acres in western part of NE $\frac{1}{4}$ Sec. 19 has little evidence proving its workability and this area needs drilling to prove its value.

Diamond Drill holes and outcrop prospecting indicate 500 acres of workable coal which might have an average height of 6 feet or a recoverable tonnage of 3,000,000 tons.

Reliance No. 4 Mine on this seam and diamond drill No. 11 at the line of section 19 indicate a considerable area of burned coal in SE $\frac{1}{4}$ Sec. 19 and SW $\frac{1}{4}$ Sec. 20. Diamond drill holes indicate a very small workable area in the SW $\frac{1}{4}$ Sec. 19.

NO. 7 SEAM

Diamond drill holes indicate the W $\frac{1}{2}$ Sec. 19 to be a doubtful workable area.

Diamond drill holes and outcrop prospecting indicate a workable area of not to exceed 480 acres of workable coal, after deducting W $\frac{1}{2}$ Sec. 19 and outcrop area, having an average thickness between 5 and 6 feet, or say a maximum tonnage of 3,000,000 tons.

NO. 9 SEAM

A careful check of correlation of seams in drill holes by average seam interval in this locality show that seams 9 and 11 have probably been confused on information furnished by the Central Coal and Coke Company, resulting in a less acreage of workable coal on each seam than the Central Coal and Coke Company estimate.

There may be not to exceed 340 acres of workable coal with an average height of 7 feet or 2,380,000 tons.

NO. 11 SEAM

Diamond drill holes on W $\frac{1}{2}$ Section 20 indicate this seam not workable on W $\frac{1}{2}$ Sec. 20.

Diamond drill hole No. 6 on W $\frac{1}{2}$ Section 19 is the only hole showing 5 feet or over. Many of the holes on Sec. 19 did not extend to No. 11 Seam which leaves this area very indefinite and until further drilling demonstrates the workability of the seam to justify the expenditure of driving to this seam it cannot properly be estimated.

The marked difference between our estimates of recoverable coal on Sec. 19 and $W\frac{1}{2}$ of Sec. 20, T. 20 N., R. 104 W. of the 6 P.M. appear to be due to the fact that we do not consider coal under 5 feet as workable at this time and have used only the acreage we consider workable using this basis, whereas it appears the Central Coal and Coke Company have averaged the coal sections on outcrops and in all diamond drill holes and in most cases applying this height of coal to all acreage below the outcrops of seams estimated, making no allowance for unworkable crop coal, burned areas or possibly large unworkable areas in seams using 5 feet as the minimum workable height.

A considerable part of the difference is also due to our correlating of seams, which has been very carefully done, changing average section of seams estimated.

We are still of the opinion that our first estimate is a carefully prepared estimate of the probably recoverable coal on this land.

I am still of the opinion that No. 5 Seam cannot be taken as a commercially minable seam on this land as no mine opened on No. 5 Seam in this district has proved successful.

An analysis of our original estimate of recoverable workable coal on Sec. 19 and $W\frac{1}{2}$ Sec. 20, T. 20 N., R. 104 W. of the 6th P.M. indicate we would be unwarranted in raising our original estimate above the amounts shown in our original estimate as follows:

No. 5 Seam 100 acres @ 7'	700,000 tons
No. 3 Seam (Original estimate)	
No. 1 Seam (Original estimate)	
No. 7 $\frac{1}{2}$ Seam	500,000 "
No. 7 Seam	360,000 "
No. 9 Seam	280,000 "
No. 11 Seam (Probably not workable)	
Possible increase of tonnage over first estimate	1,840,000 "
Original estimate	<u>11,780,000 "</u>
Total -	13,620,000 tons.

THE UNION PACIFIC COAL COMPANY

Statement showing tons mined and royalty received from lessees
of lands owned in Colorado and Wyoming, during the years
1920 to 1929, both inclusive.

	COLORADO		WYOMING		TOTAL	
	Tons	Royalty	Tons	Royalty	Tons	Royalty
1920	93,277.00	\$ 9,476.98	334,236.10	\$ 36,612.23	427,513.10	\$ 46,089.21
1921	57,827.95	6,694.91	230,228.05	32,746.61	288,056.00	39,441.52
1922	73,229.69	10,309.62	267,212.88	35,622.45	340,442.57	45,932.07
1923	55,422.34	8,060.89	305,106.29	41,025.16	360,528.63	49,086.05
1924	108,700.07	16,371.51	228,257.73	35,137.53	336,957.80	51,509.04
1925	120,122.28	17,295.00	207,175.61	32,129.68	327,297.89	49,424.68
1926	119,952.63	17,332.53	301,039.87	44,199.51	420,992.50	61,532.04
1927	171,958.13	25,674.96	392,224.27	57,516.00	564,182.40	83,190.96
1928	459,646.42	69,126.98	239,365.60	32,342.74	699,012.02	101,469.72
1929	526,480.75	78,492.15	178,445.78	22,128.56	704,926.53	100,620.71
Total	1,786,617.26	\$258,835.53	2,683,292.18	\$369,460.47	4,469,909.44	\$628,296.00
	Per Ton	14.49¢	Per Ton	13.77¢	Per Ton	14.06¢

Auditor's Office,
Rock Springs, Wyoming.
April 5, 1930.

Rock Springs - October 31st, 1929.

Eugene McAuliffe:

Referring to your letters of October 4th and October 22nd, with regard to acquiring ownership, either by purchase or exchange, of coal land in Section 19 and $W\frac{1}{2}$ of Section 20, Township 20 North, Range 104 West:

Mr. Swann has worked up all the data on this and I have gone over the proposition with him. It appears to us that an exchange of coal land with the Central Coal and Coke Company has the following advantages and disadvantages.

Advantages to The Union Pacific Coal Company.

1. The Coal Company owns land or can lease land from the Union Pacific Railroad Company and the United States Government, adjacent to the Central Coal and Coke Company property, which would more than double the amount of coal available for a mining unit.
The combined acreage would justify the opening of a large capacity shaft, 4,000 to 5,000 tons daily capacity, and make a very desirable operating unit.
2. Coal Company can supply water and power facilities from their own adjacent power and water lines at a reasonable cost.
3. Coal seams on the land appear to be less liable to be split and dirty and the pitch of coal seams will not be so excessive as those on Section 3 - 18 - 105.
4. The surface makes a desirable location for a large capacity mining unit.
5. 80% of coal can be mined to the raise. Simplified drainage and mechanical mining on both sides of shaft. Centrally located mining plant.

Disadvantages to The Union Pacific Coal Company

1. There would be no immediate return from the acquired land as it probably will not be necessary to open this mining unit for several years on

of cleaning up present operating mines.

- of chance to open a small capacity mining unit on Section 3 - 18-105 at a very nominal initial investment on account of small trackage required and water and housing facilities, making it unnecessary to provide a mining town as this land is close to the town of Rock Springs.
3. Coal on this land not first grade coal due to moisture content but this coal is a good quality steam coal, probably equal to the Reliance coal.

The following advantages would accrue to the Central Coal and Coke Company by exchanging land with The Union Pacific Coal Company:

1. Central Coal and Coke Company would acquire a good grade of commercial coal as the coal contiguous to the town of Rock Springs is a much more desirable coal commercially than the coal north of Rock Springs.
2. Section 3 adjoins Central Coal and Coke Company's present operating mines.
3. Coal west of Sweetwater Canyon Fault should be worked from a new shaft on Section 3 near the Sweetwater Branch. This would give the Central Coal and Coke Company a new mine where branch line and tail track for tipple tracks are now provided by the Sweetwater Branch, leaving only mine yard tracks to be constructed.
4. If the Central Coal and Coke Company should desire to open a mine on their property north of Reliance, it would require about three miles of branch line track and mine tipple tracks, and a shaft there would be deeper than the shaft on Section 3. There would be no expense for a water system, housing and other facilities as this location is close to town. Were they to open on Section 19 and $W\frac{1}{2}$ Section 20, it would be necessary to provide these facilities at a considerable investment. To operate a mine of about 1000 tons capacity on Section 19 or $W\frac{1}{2}$ of Section 20, Township 20 North, Range 104 West would entail better than a half million dollar investment, while coal on Section 3 - 18 - 105 can be opened up with a comparatively small initial investment.

We have weighed all these eventualities as the Central Coal and Company will probably bring these disadvantages to your attention when they talk to you regarding the exchange. It seems to us that the disadvantages on Section 3 - 18 - 105 are as follows:

1. No. 3 Seam has not been prospected west of Sweetwater Canyon Fault in this locality and it may be desirable for The Union Pacific Coal Company to put down at least four drill holes to thoroughly prospect this section.
2. Seams on Section 3 are much inclined to be split and dirty and are very apt to be faulted as this section is in a faulted area.
3. The Union Pacific Coal Company Rock Springs No. 1 Mine workings extend into Section 3 and this mine is completely filled with water, making the mining of coal from Seams 1 and 7 hazardous when approaching this area, unless No. 1 Mine is unwatered in advance of the workings on Section 3.
4. A one sided mining proposition account of Main Line Right of Way with expensive development work necessary to obtain coal north of Main Line Right of Way.
5. All coal must be mined to the dip.
6. Pitch of seams very heavy on West half of Section 3.

With all of these disadvantages it would seem that the proposition of trading would be advantageous to both companies.

Original Signed
GEORGE B. PRYDE

Rock Springs - October 31st, 1929.

Mr. George B. Fryde:

As requested by Mr. McAuliffe today, I am attaching herewith a copy of royalty tonnage by years mined from Section 3, Twp. 18 North, Range 105 West from Central Coal and Coke Company's Lease #5616-F from Seams 3 and 7, Lion Coal Company's Lease #5544-F from Seams 3 and 1, Megenth Coal Company's Lease C-3898-C from Seam 7 furnished by Auditor Tallmire.

These tonnages do not represent the future yearly royalty to be received from these leases as the Central Coal and Coke Company have done but little development work to date on Lease #5616-F, the Lion Coal Company Lease #5544-F have been concentrating their workings on an adjoining lease on Section 2, leased from the Central Coal and Coke Company. The lease on Section 2 is nearly worked out and a larger production from U.P.R.R. Lease #5544-F will soon take place. The Megenth Coal Company have just completed their new slope in No. 7 Mine through the fault and will soon be able to produce coal from Lease C-3898-C on $N\frac{1}{2}$ Section 3, Twp. 18 North, Range 105 West.

Any coal from Central Coal and Coke Company's $N\frac{1}{2}$ Section 10, Twp. 18 North, Rge. 105 West on No. 7 Seam is tributary to their O'Flaherty slope on lease #5616-F on Section 3, Twp. 18 N.R. 105 West.

C. E. Swann

Royalty coal produced from leases on Section 3,
Township 18 North, Range 105 West.

U.P.R.R. Lease #5616-F to the
Central Coal and Coke Company
Part of Sec. 3, T. 18 N.R. 105 W.

Tonnage by years

1927	13,361.98
1928	26,546.69
1929	<u>20,289.67</u> (Including Aug. 1929)
	60,118.34 tons

Lion Coal Co. Lease #5544-F
Part of Sec. 3, T. 18 N.R. 105 West

Tonnage by years

1925	351.15 (December 1925 only)
1926	3,493.11
1927	24,363.11
1928	26,656.37
1929	<u>25,649.99</u>
	80,515.73 tons

Above tonnage includes total tonnage due from
Lion Coal Company on Lease #5544-F to and in-
cluding August 31st, 1929. Coal shown for
month of May, 1929 to August, 1929 is reported
tonnage and no examination of Lessee's records
of these months has been made as yet.

U.P.R.R. Lease C-3898-C to the
Hogarth Coal Company
Part of Sec. 3, T. 18 N.R. 105 West

No coal has been reported from this lease.

Rock Springs - October 26th, 1939.

Mr. George B. Pryde:

As requested by Mr. McAnuliffe, I am attaching, herewith, estimated recoverable tonnage on the Central Coal and Coke property north of Reliance (see Statement No. 1), also estimated recoverable coal on Coal Company, Railroad Company and Government Land tributary thereto. (see Statement No. 2).

The following maps and prints are attached: (1) Map No. 890.32 on which is shown in color land owned by the Central Coal and Coke Company and land tributary owned by the Coal Company, the Railroad Company and the Government, (2) Map No. 1750.317 showing located railroad spur to Central Coal and Coke Company and adjacent lands. (3) Map No. 991.53, Prospecting map of the Central Coal and Coke Company. (4) Map No. 1950.31 showing cross section of coal measures and a proposed method of reaching the coal seams.

C. E. Swann

GENERAL COAL AND COKE COMPANY'S
LAND NORTH OF ROCK SPRINGS

Sec. 19 and $\frac{1}{2}$ of Sec. 20, T. 20 N., R. 104 W.

Estimate of workable coal on Sec. 19 and $\frac{1}{2}$ of Sec. 20, owned by
Central Coal and Coke Company.

1000 tons of recoverable coal per acre feet used as basis of calculations.

#3 Seam	400 acres @ 7'6"	3,000,000 tons
#1 Seam	220 acres @ 7'0"	1,540,000 "
#7 $\frac{1}{2}$ Seam	500 acres @ 5'0"	2,500,000 "
#7 Seam	480 acres @ 5'6"	2,640,000 "
#9 Seam	300 acres @ 7'0"	<u>2,100,000</u> "
		11,780,000 tons.

The following factors which were taken into account materially affect estimate:

1. Central Coal and Coke Company's Blueprints of Drill Hole logs and cross sections of Drill Holes show coal sections in Drill Holes Nos. 3 and 6 as Seam No. 9 when same figure very closely according to seam intervals as No. 11 Seam.
2. Outcrop according to Reliance Mine maps shows excessive burned areas.

Statement No. 3

Estimate of workable coal on $S\frac{1}{2}$ Section 7, $S\frac{1}{2}$ Section 17, All of Section 18 in Township 20 North, Range 104 West of the 6th P.M. and $E\frac{1}{2}$ of $E\frac{1}{2}$ Section 13, $E\frac{1}{2}$ of $E\frac{1}{2}$ Section 24 in Township 20 North, Range 105 West of the 6th P.M., Sweetwater County, Wyoming.

This coal is tributary to Central Coal and Coke Company's Section 19 and 20, Township 20 North, Range 104 West of the 6th P.M.

1,000 tons of recoverable coal per acre foot used as a basis of calculation.

Ownership of above lands.

$S\frac{1}{2}$ Sec. 7, Twp. 20 North, Rge. 104 West owned by Railroad Company.

No. 7 $\frac{1}{2}$ Seam only on $S\frac{1}{2}$ leased to the Colony Coal Company.

$S\frac{1}{2}$ Sec. 17, Twp. 20 North, Rge. 104 West owned by Railroad Company.
(Not under lease).

$E\frac{1}{2}$ Sec. 18, Twp. 20 North, Rge. 104 West owned by Coal Company.

$W\frac{1}{2}$ Sec. 18, Twp. 20 North, Rge. 104 West owned by U. S. Government.

$E\frac{1}{2}$ of $E\frac{1}{2}$ Sec. 13, Twp. 20 North, Rge. 105 West owned by Railroad Company.

$E\frac{1}{2}$ of $E\frac{1}{2}$ Sec. 24, Twp. 20 North, Rge. 105 West owned by U.S. Government.

$S\frac{1}{2}$ Section 7, Twp. 20 N.R. 104 West.

No. 3 Seam - 230 acres @ 7' 1,610,000 tons

No. 1 Seam - Questionable if workable

No. 7 $\frac{1}{2}$ Seam $SW\frac{1}{2}$ - 130 acres @ 7' 910,000 "

No. 7 Seam - 260 acres
Questionable if workable

No. 9 Seam - 260 acres
Questionable if workable

Total tonnage $S\frac{1}{2}$ Sec. 7 2,520,000 tons

$S\frac{1}{2}$ Section 17

No. 3 Seam crop coal	
No. 1 Seam crop coal	
No. $7\frac{1}{2}$ Seam - 20 acres @ 6'	120,000 tons
No. 7 Seam-Questionable if workable (Split seam)	
No. 9 Seam - 160 acres @ 6'	960,000 tons
No. 11 Seam - 160 acres @ 6'	960,000 "
No. 15 Seam - 160 acres @ 5'	<u>800,000 "</u>
Total tonnage $S\frac{1}{2}$ Sec. 17	2,840,000 tons

All of Section 18

No. 3 Seam - 300 acres @ 6'	3,000,000 tons
No. 1 Seam - Questionable if workable	
No. $7\frac{1}{2}$ Seam - 160 acres @ 6'	960,000 "
No. 7 Seam - Questionable if workable (Low and split)	
No. 9 Seam - 160 acres @ 5'	800,000 "
No. 11 Seam - 160 acres @ 7'	1,120,000 "
No. 15 Seam - Cover too heavy	<u> </u>
Total tonnage Sec. 18	5,880,000 tons

$E\frac{1}{2}$ of $E\frac{1}{2}$ Section 13, Twp. 20 N.R. 105 West.

No. 3 Seam - 80 acres @ 7'6"	600,000 tons
Other seams questionable	<u> </u>
Total tonnage $E\frac{1}{2}$ $E\frac{1}{2}$ Sec. 13	600,000 tons

$E\frac{1}{2}$ of $E\frac{1}{2}$ Section 24, Twp. 20 N.R. 105 West.

No. 3 Seam - 120 acres @ 7'6"	900,000 tons
Other seams questionable	
Total tonnage $E\frac{1}{2}$ of $E\frac{1}{2}$ Sec. 24	<u>900,000 tons</u>

S U M M A R Y

$S\frac{1}{2}$ Sec. 7, Twp. 20 N.R. 104 West	2,520,000 tons
$S\frac{1}{2}$ Sec. 17, Twp. 20 N.R. 104 West	2,340,000 "
All Sec. 18, Twp. 20 N.R. 104 West	5,880,000 "
$E\frac{1}{2}$ of $E\frac{1}{2}$ Sec. 13, Twp. 20 N.R. 105 West	600,000 "
$E\frac{1}{2}$ of $E\frac{1}{2}$ Sec. 24, Twp. 20 N.R. 105 West	<u>900,000 "</u>
Total recoverable coal on land adjacent to Central Coal and Coke Co. lands	12,740,000 tons

Estimated cost of opening a 4,000 ton daily capacity shaft
mine on Sections 18 or 19 in Twp. 20 North, Range 104 West of the 6th P.M.

18,000' branch line track	(
10,000' tippie tracks)	@ \$4.00 per foot if	
		second hand material	
		is used	\$112,000
4,000 ton capacity steel tippie			100,000
Track scale			5,000
Hoisting shaft - 600' @ \$90.00			54,000
Fan shaft - 600' @ \$80.00			48,000
Fan and fan house			20,000
Hoist and hoist house			50,000
Machine and blacksmith shop			5,000
Power line - 1 mile plus and transformer house			11,000
Water line - 15,000 of 6" pipe and			
Tanks and distributing system			25,000
Stable facilities, house, barn, etc.			7,000
12 Apartments or flats @ \$4,000 each			48,000
Material house and mine office			5,000
14 garages @ \$500.00			7,000
Miscellaneous items			<u>50,000</u>
Total			\$547,000

Estimated cost of development and equipment necessary to place mine on 1,000 ton daily production basis when mine should become self supporting on either SE $\frac{1}{4}$ Section 18 or W $\frac{1}{4}$ Section 19, Twp. 20 North, Range 104 West of the 6th P.M.

200 Pit cars - 3 ton capacity - @ \$225.00 (Mech. Load)	\$ 45,000
6 mules @ \$150.00	900
2 Panel hoists 50 H.P. @ \$1,250	2,500
3 5-ton Locomotives @ \$5,000	15,000
6 Shaking Conveyors @ \$4,000	24,000
24,000' mine track @ \$1.00 per foot	24,000
6 Mining machines @ \$4,300	25,800
6 Drills complete @ \$150.00	900
Material and supplies	15,000
20,000' underground transmission lines and power lines, transformer, bonding	15,000
Underground Pump	2,000
Miscellaneous items	<u>20,000</u>
Total	\$190,100

Summary

Surface equipment and mine shafts	\$547,000
Underground equipment and development to place mine on 1,000 tons daily production basis	<u>190,100</u>
Total cost of placing mine on self supporting basis	\$737,100

The Central Coal and Coke Company acquired by quit claim deed
 W $\frac{1}{2}$ Section 20, Twp. 20 North, Range 104 West and all of Section 30,
 Twp. 20 North, Range 104 West of the 6th P.M. Sweetwater County,
 Wyoming, as follows:

Section 20, Twp. 20 N.R. 104 West

July 15, 1901 (Quit claim deed) SW $\frac{1}{4}$ - 160 acres	\$3,700.00
July 15, 1901 " " " NW $\frac{1}{4}$ - 160 acres	<u>3,700.00</u>
Total	\$7,400.00

Section 30, Twp. 20 N.R. 104 West

July 15, 1901 (Quit claim deed) SE $\frac{1}{4}$ - 160 acres	\$3,700.00
July 15, 1901 " " " NW $\frac{1}{4}$ - 154.65 "	3,600.00
July 15, 1901 " " " SW $\frac{1}{4}$ - 153.95 "	3,600.00
July 15, 1901 " " " NE $\frac{1}{4}$ - 160 "	<u>3,700.00</u>
Total	\$14,600.00

For part of same land see below:

Sept. 12, 1907 (Quit claim deed) NW $\frac{1}{4}$ - 154.65 acres	\$3,600.00
Sept. 12, 1907 " " " NE $\frac{1}{4}$ - 160.97 "	3,700.00

On February 1, 1915, the Central Coal and Coke Company conveyed
 Section 30, Twp. 20 North, Range 104 West by warranty deed to The
 Union Pacific Coal Company in exchange for Section 19, Twp. 20 North,
 Range 104 West. This trade was negotiated in order to consolidate
 the lands of both companies.

Relative to exchange of land with the Central Company mentioned in Mr. McMilliffe's letter of October 22nd, I have assembled the following data:

- (1) Map showing Section 3, Twp. 18 North, Range 105 West of the 6th P.M. Sweetwater County, Wyoming, which is tributary to Central Coal and Coke Company's mines located at Rock Springs.
- (2) Statement No. 3 showing the workable tonnage in Section 3, Twp. 18 North, Range 105 West not under lease, also workable tonnage under lease, east of Sweetwater Canyon Fault, to the Central Coal and Coke Company.
- (3) Statement No. 4 showing tons of recoverable coal, east of Sweetwater Canyon Fault, Seams 3 and 1, leased to the Lion Coal Company, also recoverable coal on No. 7 Seam leased to the Hogenath Coal Company, north of the Union Pacific Railroad's Main Line Right of Way.
- (4) Statement No. 5 showing all available recoverable coal on Section 3, Twp. 18 North, Range 105 West, as of Nov. 1st, 1929, Section 3, Twp. 18 North, Range 105 West of the 6th P.M. is owned by the Railroad Company.

It may develop, from a trading angle, that it will be advisable to deed all of Section 3, Twp. 18 North, Range 105 West, except necessary rights of way, etc., and embracing the outstanding leases to (1) Central Coal and Coke Company, (2) Lion Coal Company and (3) the Hogenath Coal Company and in this manner show the Central Coal and Coke Company where this proposition will give them immediate return on their investment.

Most of these leases are worked without a pre-arranged plan due to the faulted condition of the ground and the Railroad Company can afford

to relinquish their rights to these leases if adequate advantage is assured in the trade.

Section 3 is well prospected on the east side, and on the north side in Seams 1 and 7, but no diamond drill holes have been drilled on Section 3 west of the Sweetwater Canyon Fault far enough away from the fault to give a fair idea of the workable coal seams west of fault on this section. It may be necessary to drill about four diamond drill holes to prove this land in order to consummate the deal.

Statement No. 3

Recoverable coal in Section 3, Twp. 13 North, Range 105 West not under lease and exclusive of railroad rights of way, as of Nov. 1st, 1929, 1000 tons per acre foot of recoverable coal per acre used.

No. 3 Seam - 350 acres @ 5'	1,750,000 tons
No. 1 Seam - 260 acres @ 7'	2,520,000 "
No. 7 Seam - 270 acres @ 7'	<u>1,890,000 "</u>
Total recoverable coal Section 3 not under lease	6,160,000 tons

Recoverable coal in Section 3 on No. 7 Seam east of Sweetwater Canyon Fault under lease to the Central Coal and Coke Company as of Nov. 1, 1929.

No. 7 Seam - 125 acres @ 7'	875,000 tons
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Summary

Coal in Section 3 not under lease	6,160,000 tons
Coal in Section 3 leased to Central Coal and Coke Company	<u>875,000 "</u>
Total coal in Section 3 not under lease and leased to the Central Coal and Coke Company	7,035,000 tons

Statement No. 4

Recoverable coal in Section 3, Twp. 18 North, Range 105 West, as of Nov. 1, 1929, now under lease to Lion Coal Company and Megath Coal Company, railroad rights of way restricted in accordance with terms of respective leases.

1,000 tons per acre foot recoverable coal per acre used.

Recoverable coal in Section 3 east of Sweetwater Canyon Fault under lease to the Lion Coal Company.

No. 3 Seam - 115 acres @ 5'	575,000 tons
No. 1 Seam - 120 acres @ 7'	<u>840,000 "</u>
Total	1,415,000 tons

Recoverable coal in Section 3 west of U.P.R.R. right of way under lease to Megath Coal Company.

No. 7 Seam - 50 acres @ 7'	350,000 tons
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Summary

Coal in Section 3 leased to Lion Coal Company	1,415,000 tons
Coal in Section 3 leased to Megath Coal Company	<u>350,000 "</u>
Total coal in Section 3 leased to outside companies other than Central Coal & Coke Company	1,765,000 tons

Statement No. 5.

Total recoverable coal in Section 3, Twp. 18 North, Range 105 West,
as of Nov. 1, 1929, both leased and unleased exclusive of railroad rights
of way, 1000 tons per acre feet of recoverable coal per acre used.

Coal leased to Central Coal and Coke
Company plus unleased acreage as per
Statement No. 3

7,035,000 tons

Coal leased to Lion Coal Company and
Hogarth Coal Company as per
Statement No. 4

1,765,000 tons

Total available coal tonnage
in Section 3

8,800,000 tons

COMPARISON OF COAL ANALYSES

	No. 3 Seam		No. 1 Seam		No. 7 Seam	
	Old Prospect Sec. 22, T. 18, N.R. 105 West Spectator	Old Prospect Sec. 6, T. 20, N.R. 104 West Winton	44 Entry Old #1 Mine Rock Springs	Average No. 1 Mine Reliance	Average 5 Samples Old #3 Mine Rock Springs	#7 Mine Winton
Moisture	6.66	12.43	6.66	12.83	7.94	13.83
Volatile Combustible	30.35	39.20	37.86	40.60	37.44	30.35
Fixed carbon	51.95	44.81	51.83	43.83	52.46	52.75
Ash	3.04	3.56	3.60	2.72	2.16	3.10
	100.00	100.00	100.00	100.00	100.00	100.00



Omaha - October 22, 1929

Mr. G. B. Pryde:

Yours October 11th on exchange of coal lands with Central Company: When I left Rock Springs it was my understand^g that you would give me your recommendations regarding tonnage, etc., these figures to include the lands belonging to the Union Pacific Company now located near the Central Company's workings which we might be able to exchange with them.

Thos McAniffe

Chief Engineer

Rock Springs, Wyo.,
October 9th, 1929.

Mr. H. C. Mann, Chief Engr.,
Union Pacific System,
Omaha, Nebr.

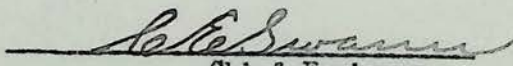
Dear Sir:

Mr. McAuliffe, on his recent visit to Rock Springs, requested me to obtain from you a blue print showing the alignment of a proposed railroad spur, off the South Pass Branch, to the Central Coal and Coke Company's property on Sections 19 and 20, Township 20 North, Range 104 West of the 6th P. M., Sweetwater County, Wyoming.

The grade for this line was constructed about 1910 and a recent inspection shows this grade to be in fairly good condition.

We will also appreciate your furnishing us, as quickly as possible, a rough estimate of the cost of constructing the tracks shown on your blue print. Mr. McAuliffe stated he only desired an approximate cost figure for this work.

Very truly yours,


Chief Engineer.

N

T20N

U.P. RR SOUTH PASS BRANCH 1

181+70

C

3N17

170+44

170+70

B

1N17

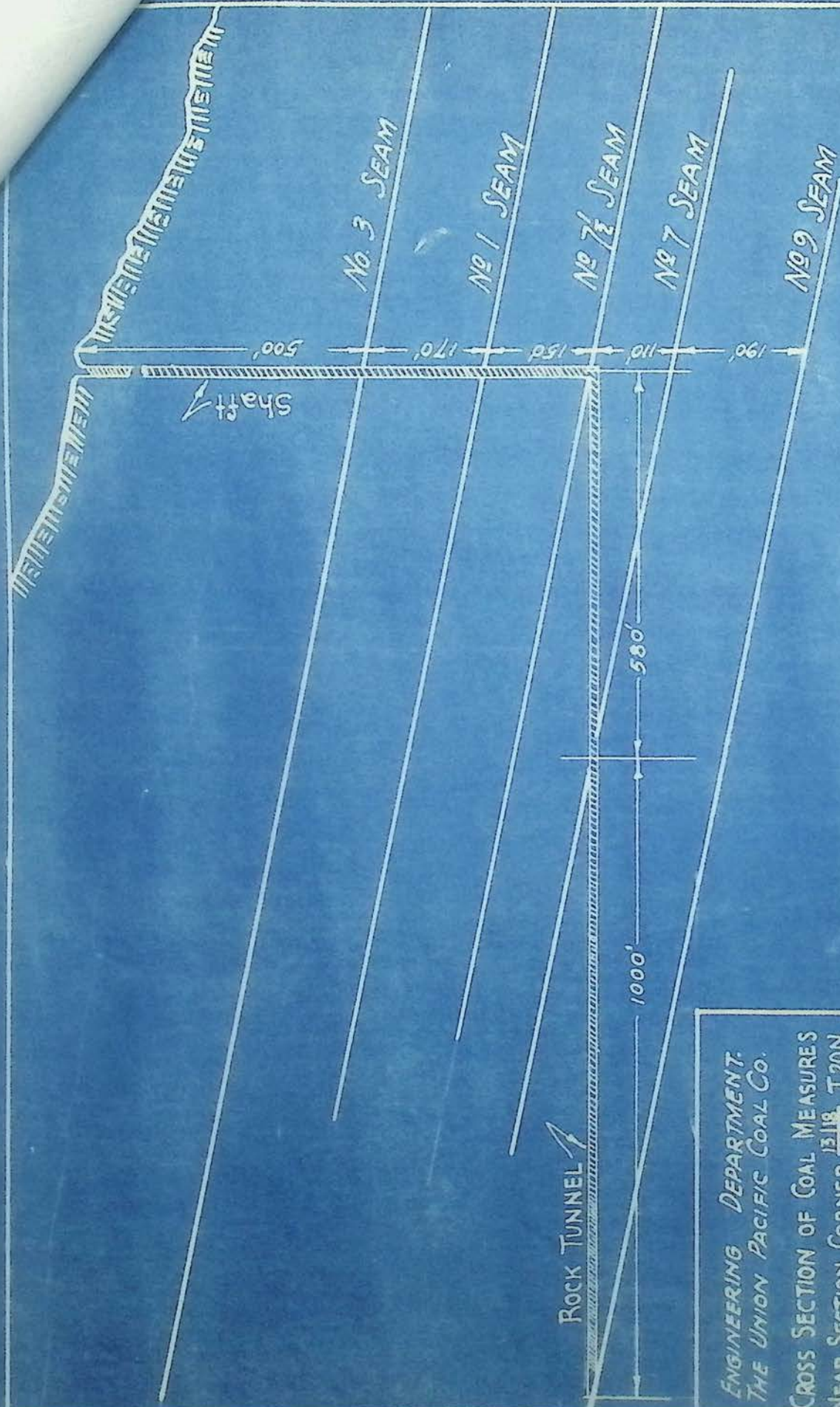
20+00

R 104 W

R 105 W

To Rock Springs

1750.317
ENGINEERING DEPARTMENT
THE UNION PACIFIC COAL COMPANY
LOCATED SPUR LINE TO
CENTRAL COAL & COKE CO.'S
AND ADJACENT PROPERTIES
NORTH OF ROCK SPRINGS
Traced from Photostat of U.P.R.R. Co. 10-28-29
Env. I. Lease Drawer



ENGINEERING DEPARTMENT.
 THE UNION PACIFIC COAL CO.
 CROSS SECTION OF COAL MEASURES
 NEAR SECTION CORNER ¹³¹⁸/₂₄₁₉ T20N
 RANGES 104-105 W ~ SHOWING
 METHODS OF REACHING SEAMS
 Scale 1" = 200' 10-16-29

Omaha - October 4, 1929

Mr. G. B. Pryde:

At Mr. McAuliffe's request, I am sending you today by railroad mail the prints received from the Central Coal & Coke Company which Mr. McAuliffe said he would talk to you about on his way west.

Mr. McAuliffe said he would like to have Mr. Swann use these prints in making his analysis, the prints to be returned here with your recommendations.

R. W. Pierce

CENTRAL COAL AND COKE COMPANY

PURCHASED SEC. 30-20-104 AS FOLLOWS:

THIS SECTION TRADED FOR SEC. 19-20-104

By Q.C. Deed from individuals on July 15, 1901.

These individuals probably connected with the Central Coal
and Coke Company

Government price in 1901 for land within 10 miles from
railroad was \$20.00 per acre.

Rock Springs - March 18, 1925.

Mr. Eugene McAuliffe:

Am returning herewith Mr. O'Flaherty's letter to you, under date of March 12th, together with two prints showing what Mr. O'Flaherty had in mind in connection with the trading of coal land in Section 2 and Section 3.

Talked with Mr. Vail today and he advised that in a recent letter received from Mr. Burnell, General Superintendent of the Lion Coal Company, Mr. Burnell states that he does not care to take any action at the present time on the proposal Mr. Vail made.

In view of the fact that Mr. Burnell does not wish to accept Mr. Vail's proposal of the trade, it would seem that there is nothing more to do than let the matter drop for the present.

George D. Dyer

Wyo. # 4 Slope

3

4

Sweetwater Canyon Fault

SE $\frac{1}{4}$ Sec. 3 Owned by U.P. R.R. Co.
No 1 and No 3 Veins Leased to Lion Coal Co.
Lease No. 5544-F

NW $\frac{1}{4}$ of SW $\frac{1}{4}$ Sec. 2 owned by C.C.C.C.
No 1 and No 3 Veins Leased to Lion Coal Co.

Green River Water Works Co.
Lease to Lion Coal Co.
Seams #1 and #3

Probable continuation of Fault

Fault No 1 Vein more than 40' down

5 Ent
Vail Opening

1 Ent
Vail Opening

SW $\frac{1}{2}$ of SW $\frac{1}{4}$ Sec. 2 owned by C.C.C.C.
No 3 Vein lying North of this Fault leased to Lion Coal Co.
Small Fault

115' down Big Fault

Tipperary Main Slope

Owned by C.C.C.C.

3. 2.
10. 11.

Owned by U.P. Coal Co.
All Veins Leased to C.C.C.C.

Central Coal & Coke Co.
Plat showing

SW $\frac{1}{4}$ Sec. 2 and SE $\frac{1}{4}$ Sec. 3, T-18-N., R-105-W
with Principal Fault Locations
for the purpose of Revising Leases
Scale 1" = 400' 2-26-25. Rock Springs, Wyo.

Rock Springs - March 18, 1925.

Mr. G. B. Pryde:

letter
With the return of Mr. O'Flaherty's/to
Mr. McAuliffe, referring to proposed trade of No. 1
Vein coal between The Central Coal and Coke Company
and The Lion Coal Company, I am attaching three blue
prints showing in green No. 1 Vein coal which Mr. Vail~~x~~
desires to trade to The Lion Coal Company for No. 1
Vein coal shown in red, lying south of 40 foot fault on
Lion Coal Company's Union Pacific Railroad Company's
lease #5544-F.

I understand no agreement between Central
Coal & Coke Company and Lion Coal Company agreeing to
the exchange has been made to date.

C. E. Swann

73
CENTRAL COAL & COKE COMPANY

J. S. O'Flaherty,
Chief Engineer.

Keith & Perry Bldg.

Engineering Dept.

Kansas City, Mo. March 12, 1925.

Mr. Eugene McAuliffe, President,
Union Pacific Coal Company,
Omaha, Nebraska.

*Proposed trade of coal
between C.C. & C. Co. and
Lion Coal Co.*

Dear Mr. McAuliffe:

We have been negotiating with Lion Coal Company for some additional exchange of coal wherein they desire to work some coal of our company in #1 vein lying north of the big fault in the $S\frac{1}{2}$ of $SW\frac{1}{4}$ of Section 2-18-105. Also, it is probable we can work the #1 vein from our Vail opening on the land lying south of the big fault in the $S\frac{1}{2}$ of $SE\frac{1}{4}$ of Section 3-18-105. This coal is owned by the Union Pacific, and the #1 vein is leased, I believe, to Lion Coal Company.

The face of Vail opening is now standing in the $NE\frac{1}{4}$ of Section 10-18-105, and entries could be turned almost immediately into the #1 vein from the Vail slope.

However, there is a point that makes us fearful of asking for assignment of the lease to our company, and that is: in the Vail opening there is a floating rock that widens out to the south to where it almost cuts out the coal. However, to the north it shortly disappears leaving a clean bed of coal. We do not know how far this condition to the north continues, but believe we will not have any trouble in working the coal out of your land in the $S\frac{1}{2}$ of $SE\frac{1}{4}$ of Section 3-18-105 lying south of the fault, yet there is no way of absolutely proving this except by diamond drilling.

It occurred to us, however, that, in view of the fact that we are in a position to turn entries into this coal, some form of lease could be drawn that would provide if this floating rock does continue to the north and makes it impractical or unprofitable to mine this coal that we would not be obligated to mine same. We desire to discuss this matter with your company prior to any further negotiations with the Lion Coal Company looking towards assignment of any of our coal in #1 vein. If you will kindly have this matter investigated and advise me in regard to same, I will very much appreciate it.

Yours truly,

J. S. O'Flaherty (Signed)

Chief Engineer.

10
Rock Springs - July 7, 1924.

Mr. C. E. Swann:

Herewith, copy of letter from Mr. McAuliffe regarding the proposed plan of working lower seams, Reliance.

When you have a little time, would like to go over this with you and Mr. Dickinson.

George D. Taylor

✓



Omaha - July 5, 1924.

Mr. G. B. Pryde:

Yours of June 27th, with three prints referring to coal underlying Sections 19 and 20, Twp. 20 N., Rge. 104 W., Rock Springs:

The prints indicate clearly the desirability of working our own coal rather than try to work out the Central Company's tonnage on a royalty basis, and when Mr. Swann has time I will be glad to get the result of his handling.

A handwritten signature in cursive script, appearing to read "Mr. Swann". The signature is written in dark ink and is positioned below the typed text.

10
Rock Springs - June 27, 1924.

Mr. Eugene McAuliffe:

I am attaching herewith, three prints: - No. 3 Seam, No. 1 Seam and No. 7½ Seam in Sections 19 and 20, Township 20 North, Range 104 West, property of the Central Coal & Coke Co. This in connection with our proposal to lease part of their coal land, particularly Seam No. 1, the idea originally in asking for this being on account of our North Entries in No. 1 Mine Reliance having approached the south boundaries of Section 19 in No. 1 Seam. I thought that if we could obtain a row of forties along the south line of this section it would prolong the life of our No. 1 Mine and not extend our total haul very appreciably and that this would still leave enough territory if the Central Coal & Coke Co., later on should decide to work the coal in No. 1 Seam.

After platting it, Mr. Swann finds that there is an area which may either be dirty or unworkable, cutting the workable territory into a portion in the South half and in the extreme North half.

We had a meeting with Mr. Vail yesterday and he would not consent to our taking only a part of the No. 1 Seam but requested subject to the approval of his superiors ^{we take it all and} that we take all of the coal in No. 3 Seam because if we did not do this we would be taking part of their territory which would make it very undesirable and unattractive for them to work this later on through a shaft. Mr. Vail's viewpoint is clear and I agree with him. On the other hand, do not think it would be wise for us to lease such an extensive territory as it would add to our haulage cost by increasing our total haul to No. 1 Slope and we would also have to pay the royalty on this coal.

Having this in mind, have decided that it is best at the

present time to let this matter rest, giving our attention to making plans to drive into the lower seams from either No. 1 Seam or No. 7 $\frac{1}{2}$ Seam, in sections 30 and 31 in our own holdings.

There is no immediate hurry about this and just as soon as Mr. Swann gets some of his rush work over, attention will be given to this matter so we can work up a plan for submission to you.

George S. Snyder

2-1
Rock Springs, Wyoming.
June 25, 1924.

Mr. G. B. Pryde:-

Last week Mr. McAuliffe mentioned the fact we had not given him prints showing good coal areas on the Central Coal & Coke Company's Sections 19 and 20 just north of Union Pacific Coal Company's Reliance Mines, and we are attaching one copy each of good coal areas shown in color for seams Nos. 3 - 1 and 7 $\frac{1}{2}$ on this land.

C. E. Swann.

encls.

72

Rock Springs, Wyo. - May 13, 1924.

Mr. Eugene McAuliffe:

In talking with Mr. Vail on my return from Idaho he made the statement that there was a possibility of our being able to lease the coal adjacent to our No. 1 Mine at Reliance in Sections 19 and 20 owned by the Central Coal & Coke Company.

You probably recall we had this matter up some months ago and had figured on a reciprocal lease, giving the Central Coal & Coke Company the privilege of mining coal in our Section 35, at Rock Springs, and for this lease we wanted to obtain lease on Sections 19 and 20. This was turned down at the time but Mr. Vail says there is a possibility now if we just make an application for a straight lease for mining coal without the trading feature that he is of the opinion that something could be accomplished. He states that on account of leases obtained from us and the coal underlying their own ground they have territory in Rock Springs, or immediately adjacent to Rock Springs, that will supply all their needs for about fifteen years and that there is a possibility that they might be willing to consider leasing coal in Sections 19 and 20 adjacent to Reliance so as to obtain some revenue. There is no particular hurry about this but I thought that sometime you were in Kansas City you might bring the matter to Mr. Sargent's attention and get his re-action.

George D. Bryan

July 24, 1923.

Mr. Eugene McAuliffe:

Yours 21st, concerning exchange of land with the Central Coal & Coke Company.

We have at Reliance an entry standing against the Central Coal & Coke Company land and it was only our desire to be in a position to extend all entries on the north side of Reliance slope that induced us to bring up the matter of exchanging lands with the Central Coal & Coke Company.

Note you say that prospecting done on land to be taken over by the Central Coal & Coke Company should be done at their expense. As the proposition to exchange came from us, and we deemed it much more to our interest at this time to make the exchange than that of the Central, believe we would have been justified in proving the land at our expense rather than expect them to take a pig in the poke on No. 7 Seam under Rock Springs while our entries in Reliance mine were standing at a splendid face of coal.


E. Brooks

Omaha, Nebraska,
July 21, 1923.

RECEIVED
JUL 23 1923
CITY OF OMAHA

Mr. E. S. Brooks:

Your letter of July 5th, with copy of letter written by Mr. Swann, and blue print, relative to exchanging land with the Central Coal and Coke Company:

As I gathered by reading Mr. Swann's letter, Mr. Vail is not receptive to the exchange, and I do not believe anything will be gained by attempting to force a trade on the Central Coal & Coke Company. In any case, any prospecting that is done on land to be taken over by them should be done at their expense.

I think the big thing for us to do is to try to get the tonnage up in the existing mines, developing the acreage owned by the Coal Company, only working out exchanges or lease-holds when it is definitely necessary to secure land in order to keep up the tonnage or to maintain a mine balance.

As I stated to you in my letter regarding the Hanna lease to Mr. Hay, I feel that commercial mines located on small tracts immediately adjacent to our principal development very largely depend on us for man power, there being hardly any doubt that Mr. Megeath's force, when he re-opens this fall, will be largely recruited from us. ✓

In substance, our best commercial producers seem to be willing and able to run quite independent of us, and I believe, so far as possible, we should encourage that attitude, preventing the development of any complex between the Union Pacific Coal Company and the Railroad Company, which, for obvious reasons, must be kept quite apart.

Wm. Megeath

July 5th, 1923.

Mr. Eugene McAuliffe:

Attach copy of letter of Mr. Swann, relative to trading No. 7 Seam coal underlying the City of Rock Springs for coal in No. 1 Seam at Reliance.

You are familiar with Reliance conditions and will appreciate what more coal ahead of our North Entries in Reliance mine means to the Company.

From Mr. Swann's letter it is evident that we have to offer the Central Coal & Coke Company something attractive to make this exchange, and to do this will have to drill at least two holes to No. 7 Seam. Location of holes shown on attached print.

Should these holes prove the seam split, the information is desirable for our own use, for the intention of working No. 7 Seam ourselves when necessity requires has been in mind for years. Proof that the coal is not workable in area drilled will necessitate going down to No. 7 Seam where it is. My thought is, if the drill hole ahead of 5th North Entry, Cumberland No. 1 Mine, shows nothing, we get authority to use the money left to drill No. 7 Seam at Rock Springs.

Enc.



THE UNION PACIFIC COAL COMPANY

OFFICE OF

Chief Engineer

IN REPLY PLEASE REFER TO

NO.

Rock Springs, Wyoming.

June 29th, 1923.

Mr. E. S. Brooks,
Vice Pres. & Gen'l Manager,
Rock Springs, Wyoming.

Dear Sir:-

In accordance with your instructions contained in letter dated June 21st, (herewith returned) and referring to proposed exchange of No. 7 Seam underlying the town of Rock Springs to The Central Coal & Coke Company for coal in Sections 19 and 20, T20N, R104W, at Reliance, we submitted blue print showing proposed location of two D. D. holes to prove up the seam and as further instructed I had a talk with Supt. Vail of The Central Coal & Coke Company relative to his views concerning the trade in general also to obtain his idea as to the proper location of proposed D. D. holes to prove up the block of coal under discussion.

When this trade was proposed to Mr. Vail a few months ago he seemed to be very receptive concerning the proposition but in our talk last week he seemed to have changed his mind in regard to the trade or else was enumerating all the disadvantages that such a deal might have in order to get a more advantageous trade from The Union Pacific.

Mr. Vail enumerated some of the disadvantages of the trade as follows:

- (1) The coal in the east half of the land proposed to be traded is low about 5 ft. to 5'6" and The Central Coal & Coke Company have proven by their experience in C. C. & C No. 2 Ludvigsen Mine, and also at Sweetwater that in this height of coal on No. 7 Seam, the cleavage planes are close together and it does not make commercial lump.

He says a large block of this coal was left in the Sweetwater Mine not be-

the mine run price was too high but because the cost of commercial lump was excessive.

After making this statement he admitted The Central Coal & Coke Company had large blocks of this height of coal in their own land and on Union Pacific leases which they would have to work to be able to reach higher coal.

His whole line of argument would indicate he desired a trade whereby he could exchange a certain percent of the coal from this low area for lump from some other Union Pacific Coal Company Mine.

(2) The cost of getting into this block of coal would be practically the same as in opening a new mine as he said No. 2 Slope would have to be remodeled.

(3) No. 2 Dump has been constructed a number of years and does not meet the present requirements of screening coal to satisfy the commercial trade and the worst trouble to his mind is the fact that the yard arrangement is such that it would have to be remodeled before anything could be done to improve the Dump arrangement.

(4) He claims The Central Coal & Coke Company has 5,000,000 tons of coal in sight in their own land and in their Union Pacific leases and a new Dump with a new yard should be placed up the Tipperary Canon about a mile.

(5) The coal proposed to be traded to The Central Coal & Coke Company has not been thoroughly prospected but the arrangement of proposed D. D. holes submitted on blue print would meet with his approval; the north hole shown to be drilled first as the indications are that No. 7 is a split seam on the north half of the area in proposed trade.

If the first hole proved to be in high clean coal the trade would look much better but D. D. hole No. 5 indicates that the coal would be split.

(6) The extra yardage expense due to the fact that they would not be able to draw pillars under the town is a serious point to be considered.

(7) Mr. Vail would prefer to open this coal by shaft located near the U. P. R. R. water tank rather than through The Central Coal & Coke No. 2 Slope but this would tie up a large block of ground quite valuable as building sites.

Up to the present time the Reliance end of the deal seems to be all that
has been considered as Mr. Vail informed me that the proposed exchange of coal had not
been submitted to him for comment by the General Office in Kansas City.

Very truly yours,

A handwritten signature in green ink, appearing to read "C. E. Swann". The signature is fluid and cursive, with a prominent initial "C" and a long, sweeping underline.

Chief Engineer.

THE UNION PACIFIC COAL COMPANY

S. BROOKS
STAND GEN'L MANAGER

ROCK SPRINGS, WYOMING.



June 21, 1923.

Mr. C. E. Swann,
Chief Engineer,
Rock Springs, Wyo.

Dear Sir:

With return of correspondence relative to exchange of No. 7 Seam underlying the City of Rock Springs to Central Coal & Coke Company for coal in Sections 19 and 20 - 20 N. - 104 W. at Reliance, call your attention to the second paragraph of Mr. Sargent's letter, in which he says: "If it was thoroughly proven there might be some arrangement worked out that would be mutually advantageous".

Please check up our drill holes and if another hole or two is necessary to thoroughly prove that No. 7 is workable over the area we would like to lease to the Central Coal & Coke Company. Note where additional drill holes should be put down and to what depth they would have to go to reach No. 7 Seam.

Yours truly,

Encls.

Omaha, Nebraska,
June 19, 1923.

RECEIVED
JUN 21 1923
GENERAL

Mr. E. S. Brooks:

I mailed the contents of your letter of June 12th regarding Central Coal and Coke Company's No. 2 Slope exhaustion to Mr. Keith, Mr. Sargent writing me under date of June 15th as follows:

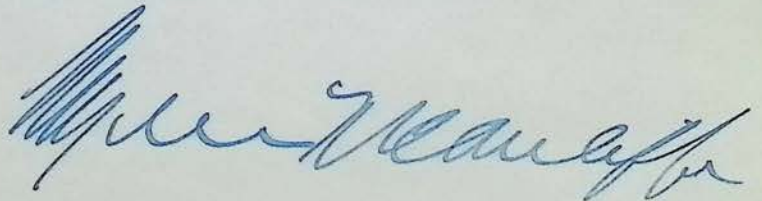
"Mr. Brooks is right in suggesting that our No. 2 Slope at Rock Springs is just about at its end. However, other development that has been going on for some time is progressing nicely and we should have within a few months somewhat greater capacity than heretofore and what is available gives us easily a life at our present property of 12 to 14 years.

"Your No. 7 seam in your land ahead of our No. 2 slope as we understand is unproven, but if it was thoroughly proven there might be some arrangement worked out that would be mutually advantageous, but our thought is now that this coal could not be reached by us except at an excessive cost of production as against our present workings and those that are already under development.

"You doubtless are quite familiar with our north property near your Reliance mine and if so will appreciate that here there is a long life ahead of our company in the Southern Wyoming field. Naturally our company is not disposed to consider releasing any part or all of this land, although admittedly it is conceivable that there might be something offered in some other direction that would in a way, if not fully, compensate. If you have in mind something that you can propose that will really in your own mind fully justify us in talking about an exchange it could be easily arranged to have our Mr. O'Flaherty go into the matter in detail with you or your associates so that a definite conclusion could be reached in a reasonable time."

Have you any further comment to make before I reply to Mr.

Sargent?



June 12, 1923.

Mr. Eugene McAuliffe, Pres.,
The Union Pacific Coal Co.,
Omaha, Nebraska.

Dear Sir:

There is a rumor that the Central Coal & Coke Company are planning to abandon their No. 2 Slope.

Mr. Kieth, of the Central Coal & Coke Company, has a proposition from us, offering to lease No. 7 Seam in our lands ahead of No. 2 Slope in exchange for coal adjoining our North Entries in Reliance Mine No. 1 Seam.

My thought was it might be advisable to get an expression from Mr. Kieth as to the possibility of making this exchange before he takes steps to abandon No. 2 Slope.

We believe that this exchange would enable him to continue to operate his No. 2 Slope for years as well as permit us to extend all our North Entries in Reliance No. 1 Mine into his holdings.

Yours truly,



RECEIVED
APR 12 1923
FILE

CENTRAL COAL & COKE COMPANY

GENERAL OFFICE
KANSAS CITY, MO.

BRANCH OFFICE AT _____

IN YOUR REPLY REFER TO FILE

Rock Springs, Wyo.,
April 10, 1923.

MR. E.S. BROOKS,
Vice president & General Mgr.,
The Union Pacific Coal Co.,
Rock Springs, Wyo.

Dear Sir:-

Ans I have your letter of April 9th relative to exchange of coal and have referred the matter to our chief engineer, Mr. J.S. O'Flaherty, with the recommendation that he make immediate investigation.

Yours truly,

Arthur W. ...

Superintendent.

✓

✓

April 9th, 1923.

Mr. Arthur Vail, Supt.,
Central Coal & Coke Co.,
Rock Springs, Wyoming.

Dear Sir:

Submit the following in order to start the ball rolling along the line we have talked concerning exchange of coal in No. 7 Seam, in our Sections 26 and 35 - 19 N. - 105 W., Rock Springs, which is adjacent to your present No. 2 Slope, for coal in No. 1 Seam, in your Sections 19 and 20 - 20 N. - 104 W., adjacent to our Reliance No. 1 Mine. If a trade can be made it will increase the operating lives of your No. 2 Mine and our Reliance No. 1 Mine for years.

Our engineers estimate we have in No. 7 Seam 1,900,000 tons of coal that can be recovered by you through your No. 2 Slope and in the recovery your hauls will not exceed some of our hauls in this field to recover the coal beyond present faces of our slopes.

If the exchange as outlined has any attractive features we will be glad to go into details with you, for I feel the trade has merit and will enable both companies to continue to mine coal through their present openings thereby avoiding for each company an additional investment for tracks, dumps, etc.

Am attaching two blueprints, one showing the coal in Sections 26 and 35, in No. 7 Seam, and one showing our Reliance No. 1 Mine workings up to your land in Sec. 19 - 20 - 104.

Yours truly,

✓
Encls. 2.

THE UNION PACIFIC COAL COMPANY

OFFICE OF

IN REPLY PLEASE REFER TO

Chief Engineer

NO.

Rock Springs, Wyoming
February 17, 1923.Mr. George B. Pryde, Gen. Supt.
Union Pacific Coal Company
Rock Springs, Wyoming.

Dear Sir:-

Referring to your inquiry about November 1922 concerning prospects for an exchange of coal from Union Pacific Railroad Company's Section 3 T.18 N. R.105 W. with The Central Coal & Coke Company for coal adjacent to the Reliance Mines on their Sections 19 & 20 T.20 N. R. 104 W., I submit the following information for your approval:

Our Diamond Drill Records on Section 19 T.20 N. R.104 W. do not tally out for interval between the coal seams as shown by our Reliance Drill Holes or there has been an error in correlating seams but after we talked to Mr. Vail about the discrepancies shown in our records he had his engineer (Mr. Weimer) come down to our office with his topographical prospecting map and his Diamond Drill Records and we were able to tell fairly accurately the amount of coal on Seams 3 - 1 - $7\frac{1}{2}$ and 7.

On the basis of 1000 tons of recoverable coal per acre foot, we									
found about 380 acres of $7\frac{1}{2}$ ft. coal on No.3 Seam or 2,850,000 tons;									
220 "	"	7 "	"	"	"	1 "	"	1,540,000 "	
560 "	"	6 "	"	"	"	$7\frac{1}{2}$ "	"	3,360,000 "	and
440 "	"	6 "	"	"	"	7 "	"	2,640,000 "	
making a combined tonnage of								10,390,000 "	

On Seams 3 and 1 there would be a combined tonnage of 4,390,000 Tons.

On Seams 3 - 1 and $7\frac{1}{2}$ there would be a tonnage of 7,750,000 tons.

Section 3 T.18 N.R.105 W.

No.3 Seam is not sufficiently prospected to estimate intelligently the coal content.

West of the Sweetwater or Big Fault there are about 480 acres of $6\frac{1}{2}$ ft. coal on No.1 seam or 3,120,000 tons and 480 acres of $6\frac{1}{2}$ ft. coal on No.7 Seam or 3,120,000 tons, making a combined tonnage of 6,240,000 tons.

Without opening a new mine on The Sweetwater Branch to obtain this coal The Central Coal & Coke Company would have to drive their Tipperary Slope 2200 ft. through a narrow strip of coal and then they would be at a point about 180 ft. below No.1 Seam or 70 ft. above No.7 Seam on Section 3.

Through their new mine on No.3 Seam would be the logical place to work No.1 Seam on Section 3 but this would place this coal so far in the future as to make it unattractive as a trading proposition at this time.

The haulage proposition to obtain any amount of coal from Sec.3 through the Tipperary Slope would consist of three hoists and a big motor inside and an outside motor haul of about $1\frac{1}{2}$ miles and this would not appear to me to be attractive.

A better trading proposition seems to be exchanging coal on No.7 Seam ahead of the present Central Coal & Coke Company's No.2 Slope for coal adjacent to the Reliance Mines on Central Coal & Coke Company's Sections 19 and 20 T. 20 N. R. 105 W.

We have shown on attached blue print one of several systems whereby the coal ahead of The Central Coal & Coke Company's No.2 Slope can be landed where the present No.2 Main Hoist can pick it up. This system consists of a landing driven in coal just below No.23 Entry Central Coal & Coke Company No.2 Mine and a rock plane driven from this coal to the coal on opposite side of the fault system and from near this point a slope can be driven in the No.7 coal parallel to Union Pacific's old No.1 Slope on No.1 Seam to the big fault shown at No. 27 Entry in old No.1 Mine. The Main Haulage System would consist of two slope hoists.

Mr.Vail has intimated he would not favor an exchange of leases on a small scale but if he will entertain an exchange of coal leases of moderate size The Union Pacific Coal Company is in position to exchange coal on No.7 Seam shown on map as tributary to The Central Coal & Coke Company's No.2 Slope down to the big fault shown at No.27 Entry No.1 Mine, having an approximate workable tonnage of 1,900,000 tons for coal in No.1 Seam or Seams 3 and 1 on Section 19 T.20 N. R. 105 W. adjacent to Union Pacific Coal Company's mine workings in Reliance Mine No.1.

The Central Coal & Coke Company by mining coal above the big fault will be able to keep their No.2 Plant working to full efficiency for the next 15 or 20 years.

I estimate that for about \$50,000 The Central Coal & Coke Company will be in shape to obtain 500 tons of coal per day from coal above the big fault and the output from this mine would increase rapidly with only additional development cost until they would have an output of 800 to 1000 tons per day.

It seems to be the recognized opinion that coal in Rock Spring and immediately south is a better grade of commercial coal than that to the north.

The Central Coal & Coke Company's town property on Section 36 at Rock Springs would likewise be increased in value and their dwellings be occupied for the next 15 years at least.

G.B.P.

The Central Coal & Coke Company, in order to work any coal on Sections 19 and 20 T.20 N. R. 104 W. would have to make an investment of \$800,000 to \$1,000,000 to build railroad tracks, open and equip their mines, build town and get a water supply, but by making this exchange this expenditure would be postponed indefinitely and at the same time this property would be producing a revenue.

If limited to coal above the big fault The Central Coal & Coke Company will claim they will be at a big disadvantage in mining No.7 coal at Rock Springs in that their development cost for coal under the town of Rock Springs will be from 10¢ to 20¢ a ton more than if the coal was not so situated as they will not be allowed to pull pillars under the area shown on map in broken line. (Marked "No pillars to be drawn".)

The Central Coal & Coke Company claim they have already made heavy expenditures in preparing to open up new mines to keep the No.2 Plant going and these conditions will have to be met in any exchange that is proposed.

Mr. Vail seems to be satisfied with the tonnage above the big fault but if The Central Coal & Coke Company insists that the exchange of leases shall be on a large scale The Union Pacific Coal Company could exchange all the coal on No.7 Seam which is shown down to the big fault and in addition the coal north past the old No.3 Pump Shaft (also shown on attached map) giving a block of 1300 acres of No.7 coal containing about 8,000,000 tons of coal and in calculating tonnage in either or both tracts we have used only 50% recovery over area shown on map where no pillars are to be drawn.

To obtain coal in No.7 Seam below the big fault The Central Coal & Coke Company could sink an 800 foot hoisting shaft west of the Reliance Tracks near No.3 Pump Shaft and could sink No.3 Air Shaft 490 ft. down to No.7 Seam and use it for an air shaft. The Central Coal & Coke Company could open this mine for about \$250,000 to \$300,000 as it would be necessary for them to build but about a mile of mine tracks to complete their Plant near No.3 Pump Shaft as the Reliance Main Line would act as a passing track but this expenditure would not be necessary for at least 15 years.

Benefits to be derived from an exchange of coal leases as mentioned above by The Union Pacific Coal Company:

1. The Union Pacific Coal Company's present plant equipment and town property at Reliance would be maintained in its present location for an additional period of at least 20 years by obtaining lease on Seams 3 and 1 only.
2. All the coal on Seams 3 - 1 and $7\frac{1}{2}$ can be mined from existing Union Pacific Coal Company mines without expensive additions to the present equipment.
3. By exchanging the No.7 coal under the town of Rock Springs a large area of valuable land suitable for town lots would be released worth at present prices \$60,000 to \$75,000 of which \$25,000 to \$30,000 worth would be available as soon as this exchange was made by releasing land held back of The Union Pacific Coal Company's Mine Office for opening up the top end of

4- G.B.P.

of this block of coal and the other \$30,000 to \$50,000 worth of building lots will be available if it is decided to open the main hoisting shaft for the big block of No.7 coal west of the Reliance Tracks instead on flat just south of old No.3 Slope.

4. Coal on No.7 Seam on Sections 19 and 20 north of Reliance owned by The Central Coal & Coke Company could be mined through a rock slope or rock tunnel driven from Reliance Mine No.1 or Reliance No.4 Mine and made available to the present equipment at Reliance and prolong the life of the town of Reliance accordingly.

To open up No.7 Seam at Reliance would probably cost The Union Pacific Coal Company nearly as much as it would cost The Central Coal & Coke Company to open up the shaft mine for coal on No.7 Seam below the big fault at Rock Springs, but either proposition would not have to be considered inside of the next 15 to 20 years.

5. Workings in No.4 Mine Reliance will be driven up to the south line of Section 19 in a few months and it will be advisable to take this into consideration in case a big exchange of coal is contemplated.

6. The advantage of prime importance derived by The Union Pacific Coal Company would be from the fact that their present workings in Reliance No.1 Mine are now up against the south line of Section 19 of The Central Coal & Coke Company and can be extended into this land at once with only an additional cost for the development and the same thing would apply to the Reliance No.4 Mine in a few months on No.7 $\frac{1}{2}$ Seam.

7. It would seem advisable to allow the parties working No.1 Seam to work No.3 Seam also at least over the same territory that the No.1 workings cover.

It is not advisable to exchange No.7 coal below the big fault unless found necessary to swing the deal for the reason that the logical place from which to recover No.3 coal north of old No.3 Mine (consisting of 760 acres of 6 ft. coal or 4,560,000 tons) is from the new shaft in the vicinity of No.3 Pump Shaft. This coal can be recovered from No.4 Mine but not as advantageously as from the shaft to No.7 Seam.

Very truly yours,

C. E. Swann
Chief Engineer.