

COAL WASHING ALLOWANCE REPORT

1 CUSTOMER NAME _____ **2** CUSTOMER CODE

ADDRESS _____

CITY _____ STATE _____ ZIP _____

4 REPORTING TYPE

5 REPORTING PERIOD _____ 20
 to _____ 20

FOR MMS USE ONLY:

3 FOR CUSTOMER USE ONLY:

	6 LEASE NUMBER	7 PRODUCT	8 MINE NAME	9 ARM'S-LENGTH/ CUSTOMER-OWNED INDICATOR	10 PRIOR PERIOD ACTUAL DATA			11 CURRENT PERIOD ESTIMATED DATA		
					a ROYALTY TONS	b ALLOWANCE RATE PER TON	c ROYALTY ALLOWANCE AMOUNT	a ROYALTY TONS	b ALLOWANCE RATE PER TON	c ROYALTY ALLOWANCE AMOUNT
1										
2										
3										
4										
5										
6										
7										
8										
9										
10										
11										

12 PAGE TOTAL		XXXXXXXXXXXX		XXXXXXXXXXXX
13 REPORT TOTAL (Last Page Only)		XXXXXXXXXXXX		XXXXXXXXXXXX

IF MORE LINES ARE NEEDED, ATTACH ADDITIONAL PAGES OF FORM MMS-4292

I have read and examined the statements in this report and, to the best of my knowledge, they are accurate and complete.

NAME (FIRST, MIDDLE INITIAL, LAST) (typed or printed) _____ DATE: _____

AUTHORIZED SIGNATURE: _____ DATE: _____

NAME OF PREPARER: _____ TELEPHONE NUMBER: _____

Paperwork Reduction Act of 1995 (PRA) Statement: The PRA (44 U.S.C. 3501 et seq.) requires us to inform you that we collect this information to assure full value of minerals removed and to determine the proper royalty due. Responses are mandatory to obtain a benefit (30 CFR 206.458 and 206.461). Proprietary information is protected in accordance with standards established by Federal Oil and Gas Royalty Management Act of 1982 (30 U.S.C. 1733), the Freedom of Information Act [5 U.S.C. 552(b)(4)], and Department regulations (43 CFR 2). An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB Control Number. Public reporting burden is estimated at 2 hrs/response. Direct all comments of any aspect of this form to the Information Collection Clearance Officer, MMS, MS 4230, 1849 C Street, NW, Washington, DC 20240.

FORM MMS-4292 – GENERAL INSTRUCTIONS
COAL WASHING ALLOWANCE REPORT

In accordance with 30 CFR §§ 206.457 and 206.458, you may deduct from your royalty payments a portion of the reasonable, actual cost for washing coal mined from Indian lands. You calculate the allowance on a per ton of clean coal basis, and may not claim an allowance for reject material on which no royalty is due. You are required to report to the Minerals Management Service (MMS) on an annual or, if necessary, more frequent basis. For example, under arm's length washing contracts, you must submit the Form MMS-4292 as frequently as necessary to reflect contract modifications or amendments.

At the end of each reporting period, you must report on page 1 of Form MMS-4292 the actual costs deducted during the prior reporting period and the estimated washing costs to be deducted during the current reporting period. The Schedules for Form MMS-4292 will assist you in assembling the various washing cost items, computing the total costs, calculating the cost per-ton, and computing the total actual and projected allowance amounts. Report and claim allowances on the Form MMS-4430, Production and Royalty Report, in the allowance section of the form.

You may claim as a washing allowance the actual washing costs incurred under arm's length contracts. The washing allowance amount incurred under non-arm's length contracts or no contracts equals the washing system operating costs plus either depreciation plus a return on the remaining undepreciated capital investment or a cost equal to the depreciable investment in the washing system multiplied by the rate of return determined in accordance with 30 CFR § 206.458(b)(2)(iv)(B).

Determine the washing allowance rate by dividing the total dollar amount by clean tons of coal (as measured at the coal loadout facility).

No cost normally associated with mining, which would normally be conducted in the absence of washing - such as crushing, storing, screening, loading, blending, and any related in-mine haulage - is allowed as a washing cost.

Page 1 of Form MMS-4292 lists royalty allowance amounts claimed during the prior reporting period and estimates of the royalty allowance amount for the new reporting period. Use a separate page 1 for each mine.

Schedule 1 accumulates washing costs and computes the royalty allowance rate and amount for a washing facility.

Schedule 1A summarizes operating, maintenance, and overhead costs for a non-arm's length or no contract washing operation.

Supplemental Schedule 1A details operating, maintenance, and overhead costs that could not be shown on Schedule 1A because of limited space.

Schedule 1B summarizes depreciation and undepreciated investment capital costs for a non-arm's length or no contract washing operation.

INSTRUCTIONS FOR COMPLETING FORM MMS-4292, PAGE 1

1. **Customer Name and Address** -- Enter the company name and address used to report royalties and washing deductions on Form MMS-4430.
2. **Customer Code** -- Enter the same company code (previously the payor code) as used on Form MMS-4430.
3. **For Customer Use Only** -- Enter your internal account identifier that will distinguish this report for you.
4. **Reporting Type** -- Enter the report type indicator as follows:
 - “1” if this is an initial report for the mine and lease number (complete column 11 only)
 - “2” if this is a recurring form reporting the prior and current period data (complete both columns 10 and 11)
 - “3” if this is an amended report to correct previously reported data. An amended report requires a two-line entry. The first line reverses the original entry using a minus sign (-) in all sections of columns 10 and 11, and the second line shows the correct entry.
5. **Reporting Period** – Enter the period covered by the actual cost data for the washing allowance reported in column 10. If this is your first report for this mine and lease combination, you will not complete column 10 so the reporting period will be the timeframe covered by the estimated data reported in column 11.

The reporting period is controlled by the *arm’s length/customer owned indicator* in column 9. If you enter a “4” or “5” in column 9:

- Your initial reporting period will begin with the month you were first authorized to deduct the washing allowance and will end at the end of the calendar year or when the washing terminates, whichever is earlier.
- Your subsequent reporting periods will begin the first day of the calendar year and end the last day of the calendar year or when the washing terminates, whichever is earlier.

If you enter a “6” in column 9:

- Your initial reporting period will begin with the month you were first authorized to deduct the washing allowance and will end at the end of the calendar year or when the contract or rate terminates, is modified or amended, whichever is earlier.
- Your subsequent reporting periods will begin the first day after the period covered by the previous Form MMS-4292 and end the last day of the calendar year or when the contract or rate terminates, is modified or amended, whichever is earlier.

6. **Lease Number** -- Enter the lease number as reported on the Form MMS-4430.
7. **Product** -- Enter the same product as reported on the Form MMS-4430.
8. **Mine Name** -- Enter the mine name associated with this lease for this washing allowance.

9. **Arm's Length/Customer-Owned Indicator** – Complete the column as follows:
- “4” if you incur 100% of the washing costs under non-arm's length conditions
 - “5” if washing costs were a combination of arm's length and non-arm's length conditions
 - “6” if you incur 100% of the washing costs under arm's length conditions

10. **Prior Period Actual Data** – Use this column to report actual data for the reporting period. If this is an initial report for start-up, do not complete this column; go to column 11.

Enter in column 10a the sum of the royalty quantity washed and sold during the reporting period (Schedule 1, line 9) plus the royalty quantity sold during the reporting period but washed during the prior reporting period (tons used in calculation of Schedule 1, line 11).

Enter in column 10b the washing allowance rate determined by dividing the royalty allowance amount (column 10c) by the royalty quantity (column 10a). Calculate the allowance rate to six decimal places.

Enter in column 10c the royalty allowance amount shown on Schedule 1, line 12.

11. **Current Period Estimated Data** – Use column 11 to report estimated data for the current reporting period.

The washing tonnage or allowance rate may be the same as the actual tonnage or rate reported in column 10. If so, enter the corresponding values from columns 10a, 10b, and 10c into columns 11a, 11b, and 11c. If you believe the tonnage or the rate for the new reporting period will be different from the prior reporting period, then adjust the estimates accordingly. Report the allowance rate to six decimal places. Please take care to ensure the estimates are as accurate as possible.

If you incur washing costs solely under arm's length conditions, compute estimates for a washing facility start-up as follows:

- Enter in column 11a the estimated clean coal tonnage from washing operations during the new reporting period.
- Enter in column 11b the allowance rate per ton as specified in the arm's length contract and as shown on Schedule 1, line 6.
- If the arm's length contract rate is on a raw coal (input tonnage) basis, convert that rate to a cost per clean ton basis. Report the allowance rate to six decimal places.
- Enter in column 11c the estimated royalty allowance amount computed by multiplying column 11a by column 11b.

If you incur washing costs under non-arm's length conditions or a combination of both arm's length or non-arm's length conditions:

- Use Schedules 1, 1A, and 1B to estimate the allowance rate and amount.
- Enter in column 11a the estimated royalty tons to be washed, expressed in terms of clean coal tonnage.
- Enter in column 11b the estimate allowance rate per ton from Schedule 1, line 6.
- Enter in column 11c the estimated royalty allowance amount from Schedule 1, line 10.

12. **Page Total** – Enter page totals for columns 10a, 10c, 11a, and 11c.

13. **Report Total** – If you submit more than one page 1 of Form MMS-4292, sum the lines 12 of each page and enter the total on line 13 of the last page 1 of the report packet.

Complete the bottom portion of the form with your dated name, signature, and the name and phone number of the person completing the form. Check the appropriate box indicating if you consider the submitted information proprietary or nonproprietary.