

SURFACE LEASE

2000-00237-00

THIS SURFACE LEASE dated this 2nd day of April, 2024, between **Jason & Brandy Patrick** as Husband and Wife, whose address is 959 Sheerlund Rd , Reading, PA 19607, (hereinafter referred to as "**Lessor**") and **Twentymile Coal, LLC**, a Delaware limited liability company, whose address is 701 Market Street, Suite 700, St. Louis, MO 63101-1826 (hereinafter referred to as "**Lessee**"). The facts leading up to this Lease Agreement are as follows:

Lessor represents and warrants to Lessee that Lessor is the owner of marketable title to certain lands located in Routt County, Colorado, more particularly described as follows (herein the "Real Estate"):

Township 5 North, Range 86 West, 6th P.M.

Section 15: E2NE4, SE4

Section 22: W2NE4, E2E2NW4, TRS IN E2NE4SW4, NW4SE4, SW4SE4

Containing 434.12 acres, more or less.

Identified in Routt County GIS as Parcel ID: 945154001

Those portions of the Real Estate applicable to this agreement are indicated on the drawing depicting the Real Estate, Road, Railroad Crossing, and Proposed Site as set forth on the attached Exhibit A, incorporated herein by reference.

Lessor has agreed to lease a portion of the Real Estate to Lessee on the following terms and conditions:

1. Use By Lessee. Lessor hereby leases the Real Estate to Lessee for drilling, construction, operation, maintenance, and repair of Lessee's underground mine workings in the coal under the Real Estate and for purposes of installing, equipping, constructing, and maintaining facilities for providing ventilation to the underground workings, and such other mine-related support activities as may be appropriate. Lessee shall also have the right to construct, maintain, repair and replace all facilities and appurtenances necessary or convenient in connection therewith, including, but not limited to, ventilation / bleeder borehole, railroad crossing, fencing, soil stockpiles, drainage and sediment control structures, and an access roadway.
2. Term. This Lease shall be for a term of Ten (10) years, then thereafter at Lessee's sole discretion, on a year-to-year basis for so long as Lessee has underground mining activities at Foidel Creek Mine (Twentymile), and for no longer than five (5) years following cessation of underground mining operations, and successful reclamation. Provided,

however, Lessee shall have the right at any time to terminate this Lease Agreement by giving thirty (30) days written notice of termination to Lessor. No termination, whether pursuant to an early termination notice, expiration of the term, or otherwise, shall affect the rights and obligations regarding reclamation set forth in Section 5.

3. Disturbed Acres. No later than 180 days following completion of construction, Lessee shall provide to Lessor an as built survey which shall include all portions of the Real Estate that are not available for grazing, to include pads, topsoil piles, roadways, borrow pits, etc, these shall be determined to be the ("Disturbed Acres"). This survey will become the basis for rental calculations for the Annual Rental, as specified in Section 4 below. For Annual Rental calculation purposes, the disturbed acres shall not be less than 3 acres nor more than 4 acres.

- a. Lessee agrees to fence the disturbed area containing the pad, topsoil pile, & Boreholes. With 4-strand barbed wire fence of sufficient quality to be "cattle tight".
- b. Lessee will maintain said fence in a good and workman like manner, to minimize risk of intrusion not the area by Lessor's cattle.
- c. Lessee will not fence roadways or rail crossings or otherwise create a barrier to the free movement of horses and cattle across the Real Estate, with the exception of the fenced pad location.

4. Rental. Lessee agrees to pay an Initial Lease Rental payment of Nine Thousand Dollars (\$9,000.00) for the first year's disturbances and construction disturbances. On the one (1) year anniversary of the date first written above, lessee shall pay the first annual lease rental payment in the amount equal to One Thousand Eight Hundred Fifty Dollars per Disturbed Acre (\$1,850.00/acre) (herein "Annual Rental"). In subsequent years Annual rental shall be increased by Three Percent (3%) annually. (payment in 2024 = \$9,000.00, 2025 = \$1850 * disturbed acres, 2026 = \$1850*1.03*disturbed acres, etc)

- a. The Initial Lease Rental payment shall be paid by Lessee to Lessor within 30 days of the execution of this Agreement.
- b. Each Annual Rental payment shall be due and payable on or before the anniversary date of this Agreement during the term hereof and for so long as Lessee requires access for reclamation, per section 5 below. Provided that if such anniversary date falls on a weekend or a holiday on which national banks are authorized to be closed, the rental payment shall be due on the next weekday on which national banks are not authorized to be closed.

5. Reclamation by Lessee. No more than Five (5) years following termination of all underground mining activities at Foidel Creek Mine, all surface disturbances associated with the ventilation borehole, pad, and roadway located west of the railroad crossing's western landing shall be removed and reclamation shall have commenced. Such reclamation is intended to bring the Disturbed Acres to a state as close as practical to adjacent undisturbed land. Lessee and Lessor will determine appropriate seed mixed based on then existing Routt County conservation recommendations. Upon termination of this Lease or at any time during the term of the lease,

Lessee agrees to reclaim those areas disturbed by Lessee in full compliance with and satisfaction of all state and federal laws and regulations. Lessee is hereby granted such rights in and to the Real Estate as are necessary or appropriate to perform such reclamation operations. The rights and obligations set forth in this Section 5 shall survive termination of this Agreement.

6. Permanent Improvements. Lessor has made a request for, and agrees, the following improvements are to remain upon the real property following termination of the lease for any reason and are not subject to Section 5 above.

- a. The entirety of the Railroad Crossing over and across the railroad, to include landings on both sides of the rail crossing.
- b. Those road improvements found on the east side of the railroad crossing and running eastward to the Lessor's property line with the state of Colorado.

7. Hazardous Materials. Lessee specifically agrees that, except for such limited quantities as are customarily used in Lessee's mining operations to support the ventilation of underground workings and underground mine operations, Lessee shall not engage nor permit at any time, any operations or activities upon, the Real Estate, for the purpose of, manufacturing, treatment, storage, transportation, dumping, discharge or disposal of any form of any hazardous substances, materials, or wastes, or any wastes regulated under any local, state or federal law. Lessee shall, during the Term, remain in full compliance with all applicable laws governing its use and occupancy of the Real Estate.

8. Damages. Lessor acknowledges receipt of good and sufficient consideration for the term of this Lease, and acknowledges that the consideration herein paid is sufficient compensation for loss of the use of the Real Estate and inconvenience caused by the location of the facilities and for all causes of action which may or might be claimed by reason of the existence and operation of the borehole and related appurtenances on the leased Real Estate, including, but not limited to, actions based on dust, noise, spillage, interference with access to existing lands, and removal of trees and vegetation.

9. Indemnification. Lessee promises and agrees to indemnify Lessor and to save Lessor free, clear and harmless of, from and against any and all claims, liabilities and damages that may accrue in favor of any third party on account of any negligence causing damage or injury to person or property that may occur or result by reason of Lessee's use of or operations upon the Real Estate, and this indemnification and save harmless clause shall apply and govern both during the lease term and thereafter for any and all claims, liabilities and damages in favor of any third party by reason of what Lessee negligently either did or failed to do in its use of or operations upon the Real Estate under this Lease Agreement.

10. Waiver. Lessee's or Lessor's failure, refusal or decision not to enforce any violation, default, breach or provision of this Lease shall not be deemed a waiver of the right to enforce any other or subsequent violation, default, breach or provision of this Lease.

11. Binding Agreement. All the obligations, conditions, terms and provisions of this Lease shall be binding, and the same shall inure to the benefit of both parties hereto and the respective heirs, administrators, executors, successors and assigns.

12. Notice. All notices and communications shall be in writing and shall be hand delivered, posted, mailed, or dispatched via bonded common carrier as follows:

LESSOR:

Jason and Brandy Patrick
959 Sheerlund Rd.
Reading, PA 19607

Email: patrickhorses50@gmail.com

Mobile: 970.846.5455

LESSEE

Sage Creek Land and Reserve
Attn: Land Dept. Fred Eden
P.O. Box 1508
Gillette WY 82717

Email: feden@peabodyenergy.com

Office: 307.685.6720

13. Default. Neither party shall be deemed in default of this Agreement unless and until the breaching party has received notice from the non-breaching party specifying the breach and the breaching party has failed to cure such breach within thirty (30) days from receipt of such notice to cure the breach; provided however, that if any such breach is not susceptible to cure within thirty (30) days, the breaching party shall not be in default so long as such party uses diligent efforts to cure such breach in as reasonably prompt a period as cure may be obtained.

14. Entire Agreement. This Lease and any endorsement or attachment hereto constitute the entire Lease between the parties hereto with respect to the Real Estate and supersedes

any and all prior or contemporaneous written or oral promises, representations, covenants or conditions and respects thereto.


15. Non-Disclosure. Except where required by law, Lessor shall not disclose the terms of this Lease or the rental payable hereunder.

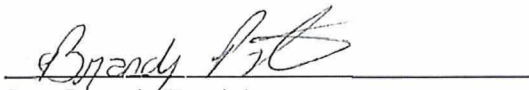
16. Memorandum of Lease. It is agreed that this Lease shall not be filed of public record, but that, Lessee at Lessee's expense, a Memorandum of this Lease shall be filed of public record to as to give notice of Lessee's rights hereunder.

IN WITNESS WHEREOF, the parties have executed this Lease Agreement to be as of the first date above written.

LESSOR:

Jason & Brandy Patrick


By: Jason Patrick

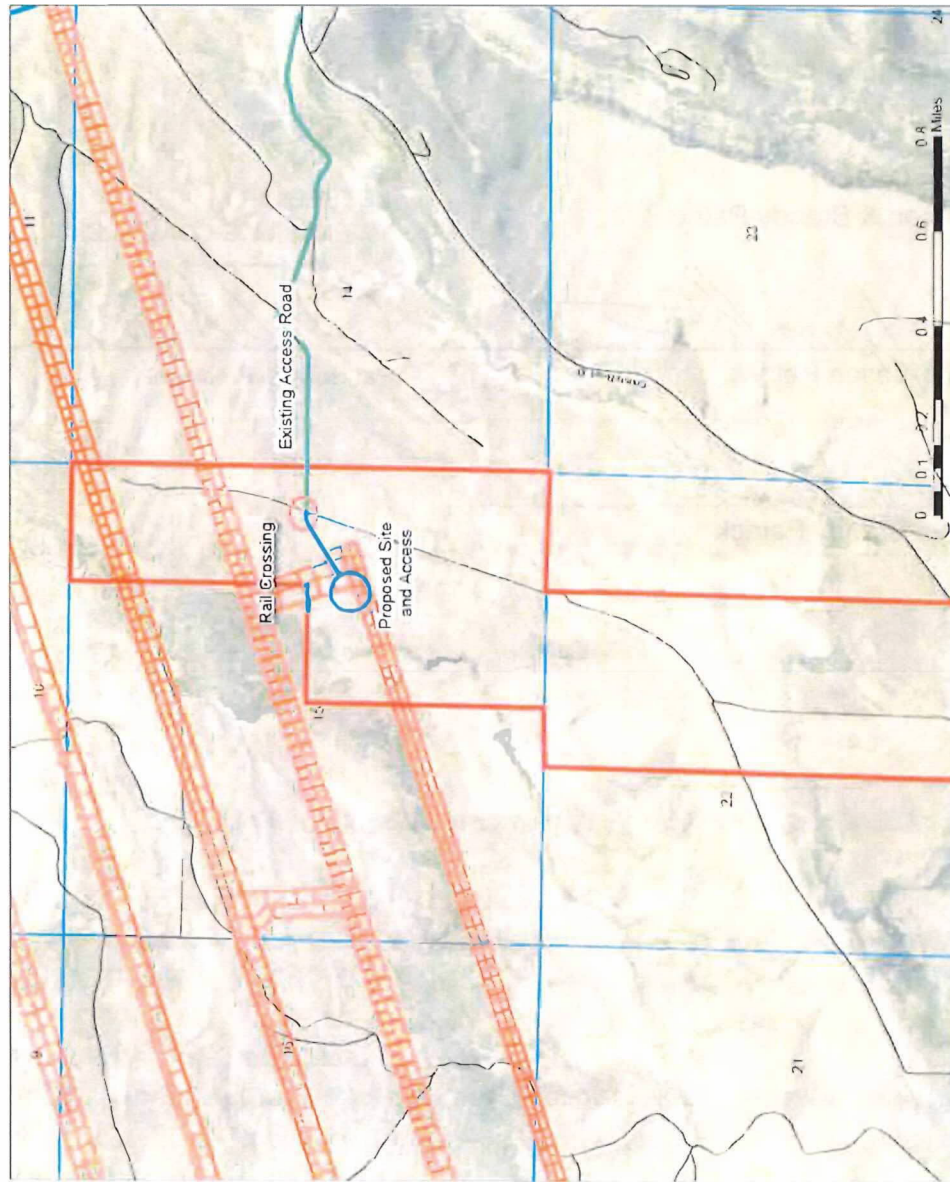

By: Brandy Patrick

LESSEE:

TWENTYMILE COAL, LLC


Pat Sollars, President

EXHIBIT A



Legend

- Mine Workings
- Twenty-mile Roads



TWENTYMILE COAL LLC
Peabody
204 S. 20th St.
OAK CREEK, CO 80449

PATRICK PROPERTY SE BLEEDER SITE

APPROVED BY	DATE	APPROVED BY	DATE
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