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Jan. 3, 1907. <sup>9th</sup>

SUBJECT: Big Sandy Coal and Coke Company ---- Leases -----

Walter S. Harkins, Esq.,  
Prestonsburg, Ky.

Dear Sir:--

The Board of Directors of this Company at a meeting held to act upon matters and suggestions contained in your letter of recent date upon the subject of making leases for mining of coal and manufacturing of coke upon its properties, were unanimously of the opinion that such leases should be made, and that diligent efforts should be used in that direction, provided the same could be obtained upon the following royalties and terms, to-wit:-

(1) Leases to be made in blocks of 500 to 1000 acres, and such blocks to be laid off with reference to the streams, and other topographical conditions, and to be laid off so that other adjoining properties would not be rendered inaccessible for leases, ~~and~~ for mining and removing coal to market.

(2) Right of way by railway or otherwise to be reserved over leased premises to reach its other or adjoining properties for mining or removing coal from such other lands, and improvements made on leased premises to be so <sup>located</sup> constructed as not to interfere with the most reasonable and practicable route for railway to such adjoining properties.

(3) Leases to be made upon royalty of 8 cents per ton of 2000 pounds, payable quarterly, minimum royalty of \$3.00 per acre