

Acres to Tons and Tons to Acres Conversions

Active Tons/Recovery/145/Coal Height (in) = Acres

Acres X Recovery Rate X Thickness (in) X 145 = In Place Tons

Taxable Value Calculation

MA x H x D x R x \$/T x DF x OI = Taxable Present Value

Where: MA = Mineable Acres

H = Clean Coal Height in inches

D = Coal Density Factor = Tons/acre/inch = 145

R = Mining Recovery Rate (Deep= 50%; Surface = 90%)

\$/T = Royalty rate due owner as \$ per ton

DF = Discount Factor for period of time royalty is received

OI = Owner's interest in the property

MA x H x D x R = Saleable tons (recoverable tons) x \$/T = Income x discount factor = present value of those earnings x Owner's Interest = **Owner's Present year Taxable Value.**